

Malaysia Acts to Tighten Curbs On Criticism of Government

By Michael Richardson
International Herald Tribune

SINGAPORE — The government of Malaysia introduced a bill Friday to give the police wider powers to regulate public protests and said it would push through Parliament a measure trimming judicial authority.

At the same time, the Parliament passed government-sponsored amendments to the Printing Presses and Publications Act to tighten the already strict press laws.

Opponents of the government say the measures are the latest in a series of increasingly repressive moves intended to silence and intimidate critics.

The press law changes allow prison terms of up to three years and fines of up to 20,000 Malaysian dollars (\$8,000) for malicious publication of false news.

The amendments were introduced by Prime Minister Mahathir bin Mohamad following the arrests of 106 people under the Internal

Security Act, which provides for indefinite detention without trial. Printing permits for four newspapers have also been suspended.

The amendments give the Malaysian minister for home affairs wide powers including the right to stop distribution of any local or foreign publication. The minister's power to withdraw a newspaper's permit cannot be challenged in court.

The bills to limit judicial powers, introduced Friday, will soon be passed by the Parliament, analysts said, although a few lawmakers have voiced reservations.

Political analysts said they expected amendments to the police and press laws to take effect within the next few weeks. The bill to regulate the judiciary would probably be brought before Parliament in early 1988, they said.

The ruling 13-party coalition representing Malaysia's various races has a more than two-thirds majority.

Mr. Mahathir and other cabinet members have asserted that the proposed amendments are necessary to maintain racial harmony, firm government and economic progress in Malaysia.

Critics said, however, that the measures would reduce the scope for public criticism of official actions and widen opportunities for abuse of power.

"They are all authoritarian measures," a diplomat in Kuala Lumpur said Friday. He declined to be identified.

Lee Lam Thye, the acting opposition leader, said the authorities wanted to intimidate and silence critics.

The government also appeared intent on curbing the right of judges to review and interpret laws and official decisions that members of the public brought to court, Mr. Lee said.

In a crackdown beginning in late October, the police detained 106 people, including the opposition leader Lim Kit Siang. They have been held without trial under the Internal Security Act for allegedly fomenting ethnic unrest.

The government banned public rallies and revoked the publication permits of three newspapers. It said the actions were to pre-empt racial conflict.

Megat Junid Megat Ayub, deputy minister of Home Affairs, said earlier this week that firm measures had restored calm, permitting the release of 26 of those arrested.

In a speech Thursday on the bill to amend the printing presses and publications act of 1984, Mr. Mahathir gave notice that the government would codify the respective powers and responsibilities of the legislature, executive and judiciary.

This was necessary, he said, to prevent the judiciary from interfering in the work of the executive and obstructing decisions made by the government and Parliament.

Political analysts said that the government had been angered and embarrassed by several decisions this year by senior Malaysian judges.

The decisions included two overruling orders curbing press freedom and another clearing the way for an opposition court challenge alleging conflict of interest by Mr. Mahathir's party in the award of a concession to build and operate a highway system worth more than \$1 billion.

Under the law, the government already has the power to prohibit or restrict any local or foreign publication in Malaysia that contains material considered to be prejudicial to public order, morality, security or relationships with any foreign country or government, or which may be in conflict with existing laws.

The amendments passed Friday would broaden this power to include material deemed likely to alarm public opinion or prejudice public or national interest.

There would be no right of appeal to the courts against a government decision affecting a press permit.

Govindasamy Umakanthan, acting general secretary of the journalists' unions, said the amendments would make investigative reporting difficult and force publishers, editors and journalists to be more careful.



Henry A. Kissinger adjusting his headset during a symposium on Vietnam held in Paris.

Kissinger Duels the Vietnamese Again

Watergate Doomed Accord, He Tells Refugees in Paris

By Joseph Fitchett
International Herald Tribune

PARIS — Henry A. Kissinger, a former U.S. secretary of state, answered bitter complaints Friday from Vietnamese refugees in the same Paris meeting room where he conducted the Vietnam peace talks 15 years ago.

Mr. Kissinger was asked repeatedly why he had signed a cease-fire agreement in January 1973 that failed to prevent North Vietnamese forces from overrunning South Vietnam three years later.

He said that the Nixon administration believed at the time that the agreement would enable the United States to continue effectively supporting the government of Nguyen Van Thieu, the president of South Vietnam.

But the administration's plans were hamstrung by Congress, he said, and then devastated by the political scandal of Watergate.

Mr. Kissinger made his com-

ments at an international symposium on Vietnam, attended by Vietnamese and Western officials and experts involved in the conflict.

"We never had expectations that the North Vietnamese would respect the accords," Mr. Kissinger said, "but we judged that an agreement would rally a consensus in Congress. We never dreamt that we would be unable to enforce the agreement."

As North Vietnam continued sending troops into South Vietnam in violation of the treaty, he said, the Nixon administration planned in 1973 to resume bombing of the Ho Chi Minh trail before having a showdown meeting with Hanoi.

"We had scheduled a meeting in Paris with the North Vietnamese in May 1973, and we planned a full month of bombing in preparation for it," he said. That plan was scuttled by Watergate, he said.

The symposium, called the Co-

mité International Tran Van Ba, was organized by two writers, Olivier Todd, author of "Cruel April," an account of the fall of Saigon, and Jean-François Revel. Also involved was a U.S. group, the Committee to Rethink Vietnam, organized by Midge Decter. Both are conservative groups.

At the meeting, emotional questions about his alleged betrayal came from South Vietnamese refugees ranging from elderly former officials to young women who left the country as children.

Mr. Kissinger said: "When I keep getting asked questions which I think I've already answered, I'm sometimes reminded of previous experiences with Vietnamese in this room."

But he insisted that the floor be left open to more questions. "Vietnamese have a moral right to ask unfriendly questions," he said, "but it's a mistake to attack the people who were trying, in difficult circumstances, to help you."

West Germans Check Gadhafi Rescue Of Hockey Team Skating on Thin Ice

BONN — The announcement that Colonel Muammar Gadhafi of Libya has come to the rescue of the insolvent West German professional ice hockey team of the city of Isere has provoked a sharp response from the government. "It is a bad joke," an official spokesman said.

Club officials said that Colonel Gadhafi would put up nearly \$1 million to fund the troubled club under an arrangement in which the team would swap its blue jerseys for Islamic green, bearing advertisements for Gadhafi's "Green Book" of Libyan revolutionary philosophy.

The Interior Ministry spokesman, Michael Andreas Butz, said: "We are in agreement with the German Sports Federation that this sort of politicization of sports must be prevented." There were strong indications that the deal would not go through.

The Isere club is 5.8 million Deutsche marks (\$3.5 million) in debt. One creditor, the Finance Ministry, had demanded immediate repayment of 1.5 million marks. Colonel Gadhafi offered the deal by the club's president and a friend, who were in Tripoli last week.

Mr. Butz said that Interior Minister Friedrich Zimmermann was strictly opposed to any such encroachment on "political neutrality" and demanded that the sports federation take action.

The Isere club coach, Otto Schneiberg, said he did not care who sponsored his team. "I am only interested in the sport," he said. "The important thing is that we can keep going."

FRIENDS: Reformist Leader Is Same Old Gorbachev They Knew in 1950

(Continued from Page 1)

because of Mr. Gorbachev's policy of glasnost, or openness? Or is he being fed a line by people who remain fearful of the next turn of the wheel of power?

"It's glasnost," concluded Zdenek Mlynar, who has no need to fear, Mr. Mlynar, a Czech national, lived across the hall from Mr. Gorbachev during college and regarded him as his closest friend.

He now lives in exile in Vienna, one of those who tried to reform Czechoslovakia 20 years ago as, in his view, Mr. Gorbachev is attempting to do now in the Soviet Union.

WORLD BRIEFS

Haiti Church Refuses a Role in Vote

PORT-AU-PRINCE, Haiti (AP) — The Roman Catholic Church urged Haitians on Friday to unite to prevent the ruling junta from taking control of national elections and declined to help form a new Electoral Council.

The military-dominated National Government Council, which has been accused of abetting or allowing the violence that wrecked Sunday's elections, is engaged in a confrontation over who should restage the voting.

"Those who govern the country believe they have reached the point where they can block democracy," Bishop Willie Romelus of Jeremie said on Radio Metropole. "But all the people must now join hands to block their maneuvers." On Friday, the junta gave church and civic organizations another day to name members to a new Electoral Council. The church said it would not comply with the request.

Awami to Leave Dhaka Parliament

DHAKA, Bangladesh (Reuters) — The largest opposition party, the Awami League, will walk out of Parliament in protest against the rule of President Hussain Mohammed Ershad, the party announced on Friday. The decision was announced the day after the rightist Jamiat-Islami pulled its 15 members out of Parliament. Ruling Jatiya party sources said Friday that General Ershad might dissolve the Parliament and call fresh elections in an attempt to defuse the crisis.

He released three more opposition leaders on Friday, bringing the total number freed to 11 since he ordered a state of emergency a week ago. Some observers saw this as part of an effort to make peace with the opposition, which is campaigning to force General Ershad to resign.

U.K. Defends Ban on Spy Broadcast

LONDON (Reuters) — The British government, denying it was imposing censorship, said Friday that it had acted to stop a radio program on spying because British intelligence agents interviewed for the program had taken vows of confidentiality.

Attorney-General Sir Patrick Mayhew spoke in Parliament in response to assertions by the opposition Labor Party that the seeking of a court order against the program amounted to dictatorial suppression of information. He also said the action might not have been taken if the British Broadcasting Corp. had allowed the government advance access to the parts in which nine present and former British agents were interviewed.

"There is no question of censorship," Sir Patrick said, adding, "There is every question of the duty of the government to protect the confidentiality owed to it by members and former members of the security services." The program, "My Country Right or Wrong," was to have been aired Friday. In it, U.S. intelligence agents and Soviet defectors also are interviewed.

Bomb Threat on South African Jet

JOHANNESBURG (AP) — South African Airways' first flight from Johannesburg to Taiwan since the jumbo jet crash last weekend was delayed five hours Friday because of a bomb threat, an airline official said.

Nico Venter, a spokesman for the airline, said the passengers and cargo were taken off the Boeing 747 while a search was conducted during a refueling stop on Mauritius. He said nothing suspicious was found, and the plane proceeded to Taipei.

For the Record

British union leaders representing postal workers have settled their dispute with the Post Office over work hours, assuring that mail will not be disrupted over the Christmas season, officials said Friday. (UPI)

The 20th game of the world chess championship between Gari Kasparov and his challenger, Anatoli Karpov, was drawn Friday in Seville, Spain, after 37 moves, leaving the score tied at 10 points apiece. The 21st game was scheduled for Monday. (AP)

TRAVEL UPDATE

2 U.S. Airlines Seek Berlin Flights

BERLIN (Reuters) — American Airlines announced Friday that it has applied to schedule flights in and out of West Berlin starting in May. Wesley Kaldahl, a company vice president, said the airline had applied to the tripartite Allied command governing West Berlin for approval to operate 33 flights out of Tempel Airport each day starting May 1. He said that the airline wanted to connect West Berlin with Zurich, Vienna and the West German cities of Frankfurt, Dusseldorf, Cologne, Hamburg and Munich.

A major competitor of American, Trans World Airlines, has also applied for a flight schedule to West Berlin. Only international airlines based in Britain, France and the United States, the three Allied powers West Berlin, may fly to the city along designated corridors over East Germany.

The Dutch speed limit on highways was increased Friday to 120 kilometers an hour (about 70 miles an hour). Officials said drivers have violated the previous limit of 100 kph so much that it was almost impossible to enforce. (Reuters)

ACCORD: Cambodia Negotiations

(Continued from Page 1)

the country's independence and an eventual peace agreement.

"They said more talks would be held next month at the village, and again at an undetermined date at Prince Sihanouk's residence in Pyongyang, North Korea.

The call for "all Cambodian parties in conflict" to join in the talks represented an invitation to Prince Sihanouk's partners in the Chinese- and U.S.-supported rebel coalition, the Khmer People's National Liberation Front of Son Sann and the Khmer Rouge.

The appeal for an international conference appeared aimed principally at Vietnam and China. Those countries exercise critical influence in Cambodia, with Vietnam sponsoring the government in place and holding it up militarily and China acting as the rebels' main backer.

Indonesia Welcomes Pact

Indonesia, Southeast Asia's main link in contacts with Vietnam, welcomed the agreement Friday and Asian diplomats saw it as a first step toward a settlement after nine years of bloodshed. Reuters reported from Jakarta.

Foreign Minister Mochtar Kusu-

Charles Says He Is 'Driven' to Help Better Life in U.K.

The Associated Press

LONDON — Prince Charles said Friday that he is driven by the feeling that he should do his utmost to improve living conditions in Britain.

"I cannot just sit there and do nothing about it because that's the way I have been brought up," the Prince of Wales, heir to the throne, said in a BBC radio interview. He rarely gives interviews of any kind.

"Slowly but surely I have been trying to find small ways in which I hope I can make a contribution," he said. "I am driven by the feeling I have had for a long time, by traveling around this country and using my eyes, that I mind about the conditions in which people live."

The prince, 39, also said: "It would be much easier to lead a quieter life. I don't need to do this, but I feel strongly about a lot of these things and I cannot do nothing about it."

"If people would rather I did nothing I will go off somewhere else."

Earlier in the week, Prince Charles sparked a furor by attacking town planners and architects for building ugly high-rise structures in London.

He said in the BBC interview that authorities should consult much more with the people whose lives are affected by their decisions.

EC: Leaders Debating an Overhaul

(Continued from Page 1)

British prime minister's tart criticism of a reported secret agreement with Iran that freed two French hostages in Lebanon and ended a diplomatic confrontation between Paris and Tehran last week.

A senior British official appeared to seek to play down Mrs. Thatcher's criticism and said that she had "fully accepted" Mr. Chirac's insistence that no ransom or arms had been given to Iran in exchange for the freedom of the two hostages.

Mrs. Thatcher, the British official said, also expressed her appreciation to Mr. Chirac for his government's cooperation in anti-terrorist efforts, particularly the seizure of a ship last month that

was bearing an arsenal of weapons to the Irish Republic Army.

During the day, West German and French spokesmen said some progress had been made on agricultural subsidies. But later, a British official insisted that there was "no ground for optimism" in light of "the wide gap between the various members of the community."

The British believe that West Germany, which has a powerful farming lobby, is seeking to dilute the effectiveness of subsidy-reducing measures.

The Danish delegation, which holds the community's rotating presidency, was preparing a compromise document on the Delors changes. In the absence of an overhaul of its finances, the community, facing a \$6 billion shortfall, will run out of money next year.

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TRINITY BAPTIST S.S. 9:45, Worship 11:00, nursery, warm fellowship. Meets at Westendorp Cultural Centrum, Kerkstraat 75 in Westendorp. Tel. 01721 - 78224.

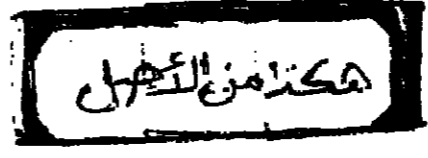
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AMERICAN TOPICS

For This Boat Owner, The Thrill Is Gone

It has been said that the two happiest days of a man's life are the day he buys a boat and the day he sells it. So far, Doug Ashley has had only the first satisfaction, Gregory Jaynes reports in The New York Times. He may never get the second.

Mr. Ashley, 32, a New York social studies teacher, bought a 40-foot (12-meter) cabin cruiser two years ago for \$850 and spent 22 months refitting the craft. Her name was Sirocco and, fittingly, she sank in a windstorm last month while moored just off the foot of Manhattan.

"When I saw it—the flybridge was still out of the water—I thought about all those thousands of hours I spent working on it," Mr. Ashley said.

While arranging with a professional diver to raise the boat, Mr. Ashley got a police ticket for illegal berthing. Then, while he was away at work, the Army Corps of Engineers, responding to a Coast Guard report of a "hazard to navigation," came with a crane vessel, pulled the Sirocco out of the water and dumped it ashore, damaging transom and keel. Thieves stripped it of anchors, propellers, portholes, the works.

Mr. Ashley said he feels the boat is beyond salvage. A corps official said that if Mr. Ashley can prove he owns the boat, he can claim it and the corps will bill him the "substantial costs" of raising it.



AN ADJUSTMENT PROBLEM — Jonathan Wolf, a student of the Carroll School in Lincoln, Massachusetts, struggles with a 20-pound helmet during a class visit to Higgins Armory Museum in Worcester. It displays replicas of Medieval and Renaissance armor.

an amateur astronomer, discovered the ninth planet, Pluto, using a homemade telescope on his father's Kansas farm. Today Mr. Tombaugh, 81, still tracks the stars from his home in Las Cruces, New Mexico. In between he has developed optical tracking systems for army missiles, surveyed paths to the moon for the national space agency, started the astronomy department at the University of New Mexico and accumulated shelves of medals and citations. He said he is pleased that a theory broached in February, that Pluto is only an asteroid, was largely disproved when it was found that the planet has both atmosphere and a moon. Asteroids have neither. "That's got cleared up," he said.

A videocassette of Bernhard H. Goetz's confession to shooting four teen-agers has gone on sale at \$39.95. Mr. Goetz said his victims were threatening him in the subway. His confession was taped by New York City detectives, shown in court and distributed to news media. The tape is being sold without authorization by, in part, Mr. Goetz. He has been acquitted of attempted murder and assault, but was sentenced to six months in prison for carrying a concealed weapon. He is free pending an appeal.

An elderly Hobart, Indiana, widow has left \$1,000 tax-free to each of the city's 30 police officers. Florence A. Wiesjahn, who died childless one year ago, had had little contact with the police, but was confident they were protecting her, James Bozki, her attorney, said. She stipulated an inheritance tax from the bequest be paid out of her estate. "Just when you think you have a job that nobody appreciates," said Leo Finnelly, a detective, "something like this happens."

—ARTHUR HIGBEE

Short Takes

An increasing number of Americans are getting their morning caffeine from soft drinks and Coca-Cola Co. is doing all it can to encourage that trend. Coke has about one-third the caffeine con-

tent of coffee. Its makers have begun advertising Coke for breakfast or at the midmorning break. The Washington Post reports. The company says the percentage of Coca-Cola's morning consumption has risen from 9 percent of sales 10 years ago to 12 percent today. Predictably, the coffee industry is not pleased. Steve Gross, a spokesman for the Coffee Development Group, says, "It's something we don't want to see."

In 1930 Clyde W. Tombaugh,

Pakistan Aid Plan Gains in Congress With Nuclear Clause Aimed at India

By David B. Ottaway Washington Post Service

WASHINGTON — Congress has moved toward clearing the way for approval of the administration's six-year, \$4 billion aid package for Pakistan without requiring it to plan its nuclear facilities under international safeguards unless India does so also.

Two separate votes, one by the House and one in a Senate committee, are certain to enrage India because the legislation puts the onus on that country to take action that would force the United States to move to end Pakistani efforts to build a nuclear bomb.

The moves are aimed at assuring Pakistan's continuing support for U.S. military assistance to guerrillas fighting Soviet forces in neighboring Afghanistan.

The Senate Appropriations Committee approved on Thursday a bill that would effectively allow the resumption of U.S. aid to Pakistan without requiring it alone to put its nuclear facilities under international safeguards.

Such safeguards include international inspection to assure that the plants are designed for peaceful purposes. That means that India would also have to agree to similar inspections.

In New Delhi, Indian diplomats

and analysts characterized the Senate action as a maneuver to justify continuing aid to Pakistan despite Islamabad's apparent contravention of U.S. laws aimed at preventing nuclear proliferation. The Indians say they are treating the Reagan administration's position on the issue as a litmus test of Washington's intentions.

"We are playing it cool for the moment but the administration is going to have to make up its mind," an Indian diplomat said. "There is an improved climate" between the United States and India, he said, "and the administration will have to decide whether to let it continue or let it fall by the wayside."

"If a Senate committee feels it wants or needs to aid Pakistan," the diplomat said, "let it do so. It will only confirm to Pakistan that it can steal" nuclear technology "and the United States will just look the other way. That is the U.S. business, but don't drag India into it."

At the same time the Senate acted, the House moved to prevent Representative Stephen J. Solarz, Democrat of New York, from introducing an amendment to a spending bill that would have required the president to certify that Pakistan is not enriching uranium above the 5 percent level.

When a nation produces uranium that is enriched more than 5 percent, experts think it may be on its way to producing weapons-grade material, which is 95 percent enriched.

U.S. officials have recently indicated they can no longer provide the kinds of assurances Congress wants that Pakistan is not enriching above the 5 percent level. One congressional source said the legislation represented "an attempt at a balancing act" between Pakistan and India, rival neighbors that many U.S. officials fear are on the verge of a nuclear-arms race.

The Senate action, unless reversed on the floor, apparently would end the requirement that the president provide "reliable assurances" that Pakistan is not involved in building a bomb before aid could be granted. It would also set a precedent by treating equally Indian and Pakistani nuclear policies.

Aid to Pakistan has been cut off since Sept. 30 and cannot resume, in any event, until Jan. 15. Pakistan and India have nuclear facilities that they have refused to open to outside inspection. Both governments have said publicly they are not engaged in building nuclear weapons.

Two U.S. Navy men working on an S-3 aircraft aboard the carrier Ranger during operations near the Gulf. At the UN, Iran's deputy foreign minister said the foreign military presence was an obstacle to a cease-fire in the Gulf War.

must determine responsibility for the conflict, now in its eighth year. The Iraqi foreign minister, Tariq Aziz, is expected in New York over the weekend for talks with the UN secretary-general, Javier Pérez de Cuéllar. In Moscow, the Soviet president, Andrei A. Gromyko, accused Iran on Friday of doing little to stop the war. The Tass press agency reported. The Tass account of Mr. Gromyko's meeting with the Iranian minister, Nasser Heirany Nubari, contained some of the Soviet Union's sharpest public criticism of either side in the war. Moscow is Iraq's main weapons supplier but has recently been seeking to improve relations with Iran. "Blood is being spilled profusely," Mr. Gromyko said. "But the Soviet leadership holds that neither Iran nor Iraq has blood to spare." "Any person who cannot go on agree that the war cannot go on indefinitely," he said, "and that the later Iran arrives at the conclusion that it should be ended, the less favorable this will be for Iran."

U.S. Puts Off Low-Level Tests of B-1

By Richard Halloran New York Times Service

WASHINGTON — The Strategic Air Command has suspended low-level flights for the new B-1 bomber, limiting the training of crews for their main mission of low-level bombing, according to officers at the headquarters in Omaha.

The suspension, which was not announced, followed the first crash of a B-1 on Sept. 28. The one of the six crew members were killed after the plane ran into birds at a low level.

It was another setback in the command's effort to bring the most advanced U.S. long-range bomber into operation. The aircraft, which is designed to evade detection devices by flying low, has been troubled with technical problems, which the Air Force says have been mostly corrected.

Officers at the command's headquarters said the investigation of the accident had disclosed flaws that needed further scrutiny before the B-1 would again be permitted to fly at low levels.

They declined to provide details until the investigation is completed.

Training flights continued for a time after the accident, but restrictions were gradually applied as evidence turned up. Low-level flights were halted after an unspecified flaw was found in an inquiry, a spokesman for the command said. The restriction applied only to peacetime training. The spokesman also said that other training was continuing on schedule.

A B-1, for instance, recently completed the first airplane firing of a cruise missile over Utah, officers said. Although the B-1 is designed primarily to drop bombs, it has also been equipped to carry cruise missiles.

In its main mission, the B-1 would penetrate a defensive network of radar, anti-aircraft missiles and fighter planes by striking through valleys and around hills at 650 mph, which is nearly the speed of sound, at 200 feet above ground. Flying a 400,000-pound aircraft at that speed so close to the ground, where trees and water-towers flash by in a blur, is among the most demanding tasks in aviation and requires not only careful initial training but constant refresher training for the crew of four.

While that training has been suspended, the officers said, practice in navigation, offensive and defensive electronic systems and flying in formation was continuing. The officers said they expected the B-1 to be safe for crews to fly at low levels sometime next winter, after the accident investigation has been completed and corrections made.

The first B-1 was delivered to the Strategic Air Command from Rockwell International in June 1985. Today, the command has taken delivery of 73 aircraft, including the one that crashed, and expects the remaining 27 to be delivered by next June.

So far, one B-1 has been put on operational alert. It is loaded with nuclear bombs and sits on a ramp at Dyess Air Force Base, near Abilene, Texas. The rest are engaged in training flight crews and maintenance teams and in tests common for a new combat aircraft.

All Hostages Released by Cuba Rebels In Atlanta

By Gary Klortz New York Times Service

WASHINGTON — The Senate Finance Committee has unanimously approved a \$9 billion package of tax increases that would affect mainly businesses and higher-income Americans, but in relatively limited ways.

In all, the package approved Thursday contains an assortment of 18 changes in corporate and individual tax law, 16 of which are common to a bill approved by the House of Representatives.

Most of those 16 are almost certain to be enacted into law. Generally, the changes would become effective Jan. 1.

Differences between the House and Senate bills are to be ironed out in conference, assuming Senate approval of the deficit-reduction package.

Senator Lloyd Bentsen, Democrat of Texas and chairman of the Finance Committee, told committee members that the package represented "as painless a tax package as possible."

After the vote, he predicted that the tax bill would be approved by the full Senate early next week as part of a larger deficit-reduction package.

As the Senate panel worked to cut the U.S. budget deficit through higher taxes, the House approved by a vote of 248-70 a \$387 billion spending bill for 1988. It includes \$7.6 billion in cuts the White House wants but many unrelated provisions to which it objects.

The spending bill combines the regular 13 appropriations bills for government departments and incorporates the spending cuts set out in the agreement to reduce the deficit that was reached in November by the White House and congressional leaders.

Among the tax proposals included in both the Senate and House bills is a three-year extension of the 3 percent excise tax on telephone service, the one proposal that would touch virtually every American household.

The government says the Marielitos detained in the United States have committed crimes since arriving, are suspected of criminal activity when they lived in Cuba or have been found by the authorities to be suffering from mental illness. As a result, they are subject to indefinite detention and can win release only if the Immigration and Naturalization Service approves in administrative hearings.

The Louisiana inmates were guaranteed that they face no retaliation for the uprising, that all who qualify will be freed and that those who must be deported need not return to their native island.

The surrender of the remaining 1,105 followed the signing of the agreement, carried by live television, in a prison meeting room. At the center of that tableau was the Cuban-born auxiliary bishop, Agustin Roman of Miami, whose intercession also helped end the uprising in Oakland on Sunday.

The agreement, ratified by a majority of the inmates holding the prison, was reached Thursday afternoon, but it was not until Bishop Roman was flown to Atlanta from Miami that the leaders of the Cubans sat down to sign it.

(UPI, AP)

\$9 Billion Rise in U.S. Taxes Endorsed by Senate Committee

By Gary Klortz New York Times Service

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Among the tax proposals included in both the Senate and House bills is a three-year extension of the 3 percent excise tax on telephone service, the one proposal that would touch virtually every American household.

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Other deaths: Arthur Hobson Dean, 89, a New York lawyer who served as the chief U.S. negotiator at the Geneva disarmament conference in the early 1960s under President John F. Kennedy, Monday of pneumonia in Glen Cove, New York.

Bishop Josef Vrana, 62, of the Olomouc archdiocese in central Czechoslovakia, Monday in Moravia after a long illness. J. Howard Fyfe, 81, a broadcaster who went on to become a two-term Republican governor of Arizona and an aide to President Dwight D. Eisenhower, Sunday in Tempe, Arizona, after a stroke.

Elton Stephenson Jr., 33, public affairs adviser at the U.S. mission to the Organization for Economic Cooperation and Development in Paris, of cancer, the mission announced Wednesday.

Luis Federico Leloir, 81, who received the Nobel Prize in chemistry in 1970 for work on sugar nucleotides and their role in biosynthesis of carbohydrates, Friday of a heart attack, his family said in Buenos Aires.

Pericle Fazzini, 74, the sculptor who created the large bronze of Christ in the great audience hall of the Vatican, Friday in Rome.

Donn F. Eisele

Donn F. Eisele, 57, one of three astronauts who in 1968 flew the first manned flight of the Apollo spacecraft, died Wednesday of a heart attack while on a business trip in Tokyo, it was announced here. He had been an investments counselor in Fort Lauderdale since 1980.

During the 11-day mission, Mr. Eisele, then a major in the U.S. Air Force, sat in the middle couch of the Apollo-7 spacecraft between Captain Walter M. Schirra Jr. of the U.S. Navy and R. Walter Cunningham, a civilian. They circled the Earth every 90 minutes in an egg-shaped orbit ranging in altitude from 140 to 183 miles (225 to 295 kilometers). Their mission was to check out the safety and reliability of the spacecraft and the Saturn-1B rocket that took them into orbit. Their first flight after a fire in which three astronauts were killed on the launching pad in 1967.

Donn Eisele Dies at 57; Made Apollo-7 Flight

By Gary Klortz New York Times Service

WASHINGTON — The Senate Finance Committee has unanimously approved a \$9 billion package of tax increases that would affect mainly businesses and higher-income Americans, but in relatively limited ways.

In all, the package approved Thursday contains an assortment of 18 changes in corporate and individual tax law, 16 of which are common to a bill approved by the House of Representatives.

Most of those 16 are almost certain to be enacted into law. Generally, the changes would become effective Jan. 1.

Differences between the House and Senate bills are to be ironed out in conference, assuming Senate approval of the deficit-reduction package.

Senator Lloyd Bentsen, Democrat of Texas and chairman of the Finance Committee, told committee members that the package represented "as painless a tax package as possible."

After the vote, he predicted that the tax bill would be approved by the full Senate early next week as part of a larger deficit-reduction package.

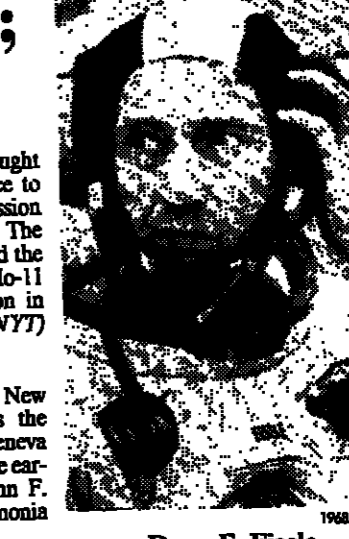
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Iran Warns Kuwait Over U.S. Barge

The Associated Press

MANAMA, Bahrain — Iran has warned Kuwait not to allow U.S. forces to moor a barge in the emirate's waters and threatened to capture it if it is deployed, the official Iranian press agency said Friday.

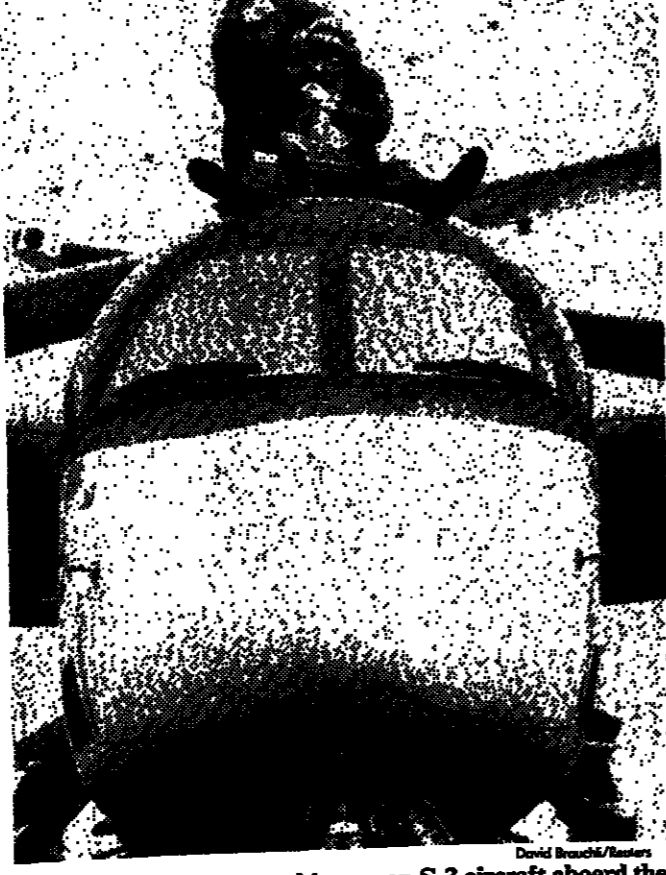
Despite statements by U.S. officials that Kuwait had agreed to allow the use of such a barge, Kuwait repeated that it would not grant military bases to foreign powers in its waters.

The speaker of the Majlis, the Iranian parliament, Hashem Rafsanjani, was quoted in the Iranian report as saying, "If you give them floating bases, you must give us one, too. Otherwise, if we seize this base one day in case of a confrontation, you could have no claim against us."

Pentagon officials said earlier this week in Brussels that the United States and Kuwait had agreed to use a barge in Kuwaiti territorial waters as a floating base for U.S. forces. But on Thursday, the Kuwaiti defense minister, Sheikh Salim al-Sabah, restated Kuwait's policy of not allowing such bases.

In the Iranian report, monitored in Nicosia, Mr. Rafsanjani said: "We will never allow the United States to approach our coastal waters and set up bases near the sensitive war zone. This move is provocative, and our nation will never tolerate such impudence." At the United Nations, Iran's special envoy, Mohammed Jawad Larjani, was expected to return home after further inconclusive talks on the UN effort to end the Gulf War.

Mr. Larjani, the deputy foreign minister, restated Tehran's demand that before there could be a cease-fire in the war, the Security Council or an impartial investigative panel



Two U.S. Navy men working on an S-3 aircraft aboard the carrier Ranger during operations near the Gulf. At the UN, Iran's deputy foreign minister said the foreign military presence was an obstacle to a cease-fire in the Gulf War.

must determine responsibility for the conflict, now in its eighth year. The Iraqi foreign minister, Tariq Aziz, is expected in New York over the weekend for talks with the UN secretary-general, Javier Pérez de Cuéllar. In Moscow, the Soviet president, Andrei A. Gromyko, accused Iran on Friday of doing little to stop the war. The Tass press agency reported. The Tass account of Mr. Gromyko's meeting with the Iranian minister, Nasser Heirany Nubari, contained some of the Soviet Union's sharpest public criticism of either side in the war.

Moscow is Iraq's main weapons supplier but has recently been seeking to improve relations with Iran. "Blood is being spilled profusely," Mr. Gromyko said. "But the Soviet leadership holds that neither Iran nor Iraq has blood to spare." "Any person who cannot go on agree that the war cannot go on indefinitely," he said, "and that the later Iran arrives at the conclusion that it should be ended, the less favorable this will be for Iran."

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Gold Medal HIGH GRADE DIAMOND EXPORTERS SINCE 1928

East German Climbs Wall BERLIN — An 18-year-old East German man used a ladder to climb the Berlin Wall to the West on Thursday night, the police said Friday.

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

This Is the Right Accord

The American political right has never found an arms control treaty it liked. Now it is marshaling forces for a Senate fight over the treaty eliminating Euro-missiles that Mikhail Gorbachev and President Reagan plan to sign Tuesday.

Let the battle be joined. This is the right treaty, the right time and the right president finally to clear the air over arms control.

Big-Time Hide and Seek

The summit-eve American charge that the Soviets have been violating a previous agreement is in dispute. But whether the charge is valid or not it has a certain important illustrative value.

important to be clouded by casual or premature complaints of Soviet misconduct. There is a better answer to the question of Soviet compliance with treaty obligations.

An Island Near War

Haiti is not far from civil war. Calculated terrorism disrupted the election last weekend, and some of the army was clearly involved. It is going to be difficult to hold any election there under those conditions.

Now, nearly at the end of this long process, those hopes have been betrayed. Rumors are circulating in Haiti about a U.S. military invasion, like the marines' landing there in 1915.

James Baldwin's Fire

Few writers so define a movement or a moment as did James Baldwin, who died on Tuesday aged 63. In the 1950s and '60s his searing essays on racial discrimination in the United States gave passionate voice to the emerging civil rights movement.

make my peace with the ghetto but to die and go to Hell before I would let any white man spit on me, before I would accept my 'place' in this republic," he wrote. His angry words embodied the struggle of blacks, in the South and North, who defied laws and customs that barred them from motels, pushed them to the backs of buses, denied them jobs and service at lunch counters, refused them the right to vote and even to hope.

OPINION The Real Danger Is in the Next Arms Treaty

By Brent Scowcroft, John Deutch and R. James Woolsey

WASHINGTON — The purpose of a major strategic arms agreement should not be to implement a slogan, to flatter the ego of an outgoing administration or to require Americans to bet their whole strategic future on a gamble, such as early SDI deployment.



By KAL IN TODAY (London), GMA Syndicate

Two such measures are of special concern. In the context of an agreement providing a 50-percent cut in strategic warheads, to a level of 6,000, the administration has been striving to ban mobile intercontinental ballistic missiles. It has been, at best, only weakly supporting its own small mobile ICBM. And it apparently has decided to test 12, rather than eight, warheads on the new Trident-2 submarine-launched missile.

Haiti's Generals Owe Their People an Explanation

By Raymond A. Joseph

NEW YORK — Scenes of murder, arson and mayhem in Port-au-Prince last Sunday should leave no doubt that Haiti's current military leadership is either totally ineffectual or fully implicated in the wanton slaughter of an unarmed citizenry desirous of peaceful change.

by whom? What about General Namphy, who, shedding crocodile tears, would have us believe that he will step down, as scheduled, on Feb. 7, 1988, and turn power over to a civilian president "daily elected"?

The Assassination of Yves Volel, Who Came to Help

HAITIAN police say Yves Volel was leading an attack on police headquarters in Port-au-Prince on Oct. 13 when he was shot and killed. The facts are quite different. Mr. Volel was addressing a news conference he had called. Here is what he said, as recorded by reporters, up to the moment of his death:

was talking to me and severely beaten him... "The current situation just can't go on. It is our own race and blood, our friends, our brothers who are beating us, torturing us. Let us all work in discipline so that law may triumph in our country."

A History of False Liberations Across a 90-Mile Gap

By William Pfaff

PARIS — Geography has been destiny for Cuba, but in a perverse way for the United States as well. Americans have never been able to leave Cuba alone.

A pro-Soviet government in Havana today is not a surprising outcome. Cubans have both wanted a North American tie and repudiated it. They are not uncomplicated or complacent victims of the United States.

Jefferson Davis favored the project. Expeditions were launched from Mississippi and Louisiana during the 1840s to overthrow Spain's rule.

did; is Cuba responsibly governed? It is governed by a Cuban, which matters. Washington has wanted Cuban freedom and Cuban reform, but has wanted it on its terms, which are Protestant Anglo-Saxon.

INTERNATIONAL HERALD TRIBUNE JOHN HAY WHITNEY, Chairman 1988-1992 KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER Co-Chairmen



1887: Carnot's Election

NEW YORK — The Sun says: "The good sense of France has spoken. Not a worse, but a far better man than Jules Grévy is now President of the French Republic. The hopes of the reactionists are dashed. There is not... an honest friend of democratic government who will not hail the elevation of Sadi Carnot to the headship of the French nation."

1912: Armistice Signed

BELGRADE — Beyond the fact that an armistice was signed yesterday [Dec. 3] between Turkey on the one hand and Bulgaria, Serbia and Montenegro on the other, few official details are obtainable today. I am given the armistice is for an unlimited period, during which all the armies will remain in their present positions and that negotiations for peace will begin

Gorbachev: He Pulled No Punches

By A.M. Rosenthal

NEW YORK — If you still have any doubts or illusions about what Mikhail Gorbachev wants and plans for the Soviet Union, do not blame him. He has laid it out as clearly as anybody has the right to expect.

The clarity of that message came in part, I am sure, from Mr. Gorbachev's own sense of mission — to improve, strengthen and preserve the Soviet system under Communist Party domination. And he knew that the interview would be seen and heard not only by Americans, but by his own people.

100, 75 AND 50 YEARS AGO

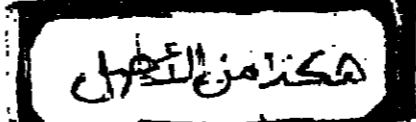
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1937: The Flying Wing

WASHINGTON — The Bureau of Air Commerce is building for experimental purposes a tailless straight-wing airplane known as the "Flying Wing." It will be completed in ready for test flights in about two months. It gets its name from the fact that it is shaped like the wing of a modern transport plane with a hulk in the middle for the passenger



THE WASHINGTON SUMMIT: Two-thirds of Americans say they think Gorbachev is a different kind of Kremlin leader.

In Pre-Summit Gesture, Kremlin to Grant Visas To Dozens of Emigrants

By Felicity Barringer
New York Times Service
MOSCOW — In a pre-summit human rights gesture of unusual scope, Soviet officials have told Western diplomats that they were approving the emigration requests of 60 to 75 Soviet citizens, the diplomats said.

Deng Shrugs Off A Gorbachev Bid, Citing Vietnam

BEIJING — Deng Xiaoping, the Chinese leader, rejected on Friday Mikhail S. Gorbachev's offer to meet. He repeated his demand that Moscow must urge Vietnam to withdraw from Cambodia before any summit meeting.

Nancy Loyalists Fear a Widening of U.S.-Soviet 'Wife Gap'



Coat competition in Geneva, 1985: Mrs. Reagan, left, in red pleats, faced Mrs. Gorbachev, in fur-trimmed gray.

By Maureen Dowd
New York Times Service
WASHINGTON — The East Wing is in a swirl over Raisa Gorbachev again. It was clear, after the Iceland summit meeting last year, that the Soviet first lady was accomplished at the art of one-upmanship. She managed to have the international stage all to herself to sell the charms of the Soviet Union.

Campaign to Boost Gorbachev's Popularity Seems to Pay Off

By R.W. Apple Jr.
New York Times Service
WASHINGTON — Mikhail S. Gorbachev, the Soviet leader, has persuaded almost two-thirds of the American public that he is different from his Kremlin predecessors, and about the same proportion approve of the arms-reduction treaty that he and President Ronald Reagan are to sign next Tuesday, according to a New York Times-CBS poll conducted late last month.

NOTES ON A CENTURY

Is the Old Philadelphia Lady Alive? And Other Nonsensical Questions

By Virginia Vitzoz
No question about the Old Philadelphia Lady's ability to attract letters. Last spring, a Centennial article discussed the famous letter signed by that sobriquet which began appearing in the Letters to the Editor section of the Paris Herald at the turn of the century.

From Centigrade to Fahrenheit.

To THE EDITOR OF THE HERALD: — I am anxious to find out the way to figure the temperature from Centigrade to Fahrenheit and vice-versa. In other words I want to know, whenever I see the temperature designated on Centigrade thermometer how to find out what it would be on Fahrenheit's thermometer.

The OPL's letter.
The OPL might be surprised to find out how warmly readers feel about the thermometer controversy. Many readers noticed that the sinister Fahrenheit agents slipped a little disinformation into the previous column, which advised readers to multiply the centigrade figure by 9, divide by 5 and add 32 to the result.

As 'Gorbasm' Spreads, Reviews Are Mixed

By Karen DeYoung
Washington Post Service
LONDON — Nearly three years into the Gorbachev era, much of the world is still unsure what to make of the Soviet leader and the unmistakably different style he has stamped on his country.

ORTHODOX: Gorbachev Clings to Old View of U.S.

(Continued from Page 1)
members of the party and the government, Soviet officials said the information broke down into these general categories:
• Diplomatic reporting from the Soviet Embassy in Washington, the consulate in San Francisco and the mission to the United Nations.

Gorbachev He Pulled No Punches

By A.M. Rosenfeld

Several of those who attended

Without Soviet assistance, Vietnam could not fight a single day in Kampuchea," the official Xinhua News Agency quoted Mr. Deng as saying.

My proposal does contain a precondition, that is, the Soviet Union must urge Vietnam to pull out," Mr. Deng said, during a meeting with Yoshio Sakurazuchi of the Japanese Society for the Promotion of Foreign Trade.

Mr. Gorbachev last week said he was willing to meet Mr. Deng in Moscow, Beijing or any other place and that the Soviet Union's problems in relations with China were not as great as those with the United States.

Other points of confusion include that of keeping track of daylight-saving time. An Old Philadelphia Gentleman, Jay Lush, wrote to remind readers of the saying, "Spring ahead, Fall back" — a good way to remember which way to move the hands of the clock.

Chinese leaders, while welcoming a smoother relationship with Moscow, note that Mr. Gorbachev has done little to address their longstanding concerns over Cambodia, Afghanistan and the heavily militarized Chinese-Soviet border.

Barbara Bauer of Wiesbaden broods about the earth's rotation (and the fact that at certain times, today here is tomorrow — or yesterday — somewhere else) and wonders how this affects the International Herald Tribune's daily deadlines. It doesn't. IHT deadlines are the same all over the world. How? Edited in Paris, the paper goes to press nearly simultaneously at its ten printing sites worldwide. The Paris editors close the first edition at 10 P.M. Paris time and the second edition at midnight. This means, for example, that the final deadline is 6 P.M. at the Miami printing site and 6 A.M. the next morning when presses roll in Hong Kong and Singapore.

This is the 40th in a series of messages about the IHT which is appearing throughout the Centennial year.

ARTS / LEISURE

Letters of Mary Shelley Found

By Herbert Mitgang
New York Times Service
WASHINGTON — Following a lunch — "It was really more of an educated guess based on 15 years of research and thinking and teaching about her" — Betty T. Bennett, professor of literature and dean of the College of Arts and Sciences at American University, arrived last New Year's day in Australia looking for new clues to the life and mind of Mary Shelley.

hoped to find and more: The originals of 12 long letters written by Mary Shelley to her cousin, Elizabeth Wollstonecraft Berry, and Elizabeth's husband, Alexander, a wealthy Australian merchant and landowner, over a 10-year period that extended almost until Mary Shelley's death in 1851.

The letters reveal Mary Shelley's knowledge of British politics, monarchy and revolution; her ideas about literature that shed light on the meaning of her own remarkable novel, "Frankenstein, or the Modern Prometheus" (written in 1818); criticism of Charles Dickens's crit-



Mary Shelley.

Glories of the King's Bedchamber

By John Russell
New York Times Service
NEW YORK — Much was expected of the Louis XIV state bedchamber that has been inaugurated, together with its adjoining entrance gallery, at the Metropolitan Museum. Thanks to Pierpont Morgan, Louis Untermyer and other collectors of an earlier generation, the Met had some majestic Louis XIV pieces. For years, Mr. and Mrs. Charles Wrightsman were adding to its Louis XIV holdings with pieces of the highest quality.



Bronze equestrian statue of Louis XIV by Desjardins.

current folkways. We have only walk into the anteroom to the bedchamber to see how every detail of the daily life of Louis XIV is predicated upon la gloire. Not much as a doorknob escaped him, and he oversaw the design of chairs and tapestries as closely as he oversaw the repertory of his private orchestra.

Simply to see the sumptuous chairs in that antechamber realize to what an extent, in the quarter of the 17th century, the personality of Louis XIV had permeated the decorative arts. Seated on one of these chairs, we will feel twice our normal selves. It is by convincing is the pair of falcon-eyes, painted with scenes from Ovid's "Metamorphoses," that was made in the factory in Nancy. These objects rate zero for coziness but as instruments of la gloire rate very high.

At the Met, these objects are shown singly and in isolation. No attempt is made to simulate a period interior. We review them as we review the paintings of Zorn's upstairs, of the Hudson's Museum School in the American wing. We get in close. Eyeball contact is welcome. We can count the stitching on the chairs.

When we went to the Louis XIV bedchamber, a new esthetic idea over. From the last years of the reign of Louis XIV, there is a wardrobe, made among other things of tortoise shell, brass and ebony. A masterpiece in its right, it exists almost as an abstraction, a sculpture that doubles as a piece of furniture. We can feel its color, the variations of textured tall narrow verticals and the and precise horizontals. It relates nothing in our everyday experience.

From the bedchamber itself are roped off, and stand at a respectful distance. To the left, a limestone chimney-piece, after a sign by Jean Le Pautre (1618-80). Though impressive in itself, doesn't really fit in with anything else in the room. There is a remarkable clock with potest Jacques Thuret (clockmaker Louis XIV from 1694) and Charles Boulle (1642-1732).

Behind the balustrade (a mid reconstruction) which separates the bed and its hangings from the rest of the room is a set of four-point hangings after designs by Charles Le Brun and carried around 1683. Here, we witness to Louis XIV in his private moments, in that central panel, portrait of Madam Montespan, Louis XIV's mistress with three of their children.

Closer to the viewer are pieces of furniture that have direct association with Louis and exemplify the vigor, the firmness and the strong definition that he demanded of the crafts who worked for him. In the top of the table, antique Pierre Gole (1620-1684) bring the precise and difficult craftsmanship a pictorial cry demands to be seen in close-up. With all this and much else, the new rooms call for lengthy and informed examination. What they lack — through no fault of those involved — is the presence. It is not simply that we don't believe that Louis XIV walk in through the door. It is we don't believe that anyone walk in, least of all a genuine, century human being dressed in high fashion that Louis XIV as his duty to promote.

Dining Out
JOHN JAMESON
KITTY O'SHEA'S PUB
BALADIN Left Bank
DIAPASON
RAFFAÏN & HONORINE
ROGER LA GRENOUILLE
THOUQUET
LE CHAMBLAIN
LUDMILA PAVILION RUSSE
LE JARDIN VIOLET
MAX GOLDBERG

ism of Americans after a brief tour, and her feminist views and will to survive as an independent woman after the death of her husband, Percy Bysshe Shelley, in a boating accident in 1822. The archivist also produced a set of photographs of the couple's only child, Sir Percy Florence Shelley, and his wife, Jane, Lady Shelley, in theatrical costumes. The letters will appear in the third and final volume of Bennett's "Letters of Mary Wollstonecraft Shelley," subtitled, "What Years I Have Spent!" Bennett said the three volumes contain some 500 previously unpublished and textually corrected letters that she assembled from England, the Continent and Australia. The book will be published by Johns Hopkins University Press in February. What new picture emerges about Mary Shelley from these letters? "The image that comes through is not that of the grieving woman who became a widow at the age of 25 but of an intellectual in her own right," said Bennett. "There are constant references in the letters to the political situation in England, Australia and in Europe. She studied the newspapers of the day regularly and also was able to read French, Greek and Latin. She knew opera, theater, Mozart's music — her comments run all through the letters." Bennett said of her own work: "Early in my research, I began to wonder, 'How could someone who wrote a book like "Frankenstein" be considered so helpless?' That was the impression left in the past by others who wrote about her. But I find that book very political. You know, by the way, that Mary Shelley had special trouble publishing while she was supporting herself and her son by journalism and literature. "Note that the title pages of her novels do not mention her name," she pointed out. "Instead they read, 'By the Author of "Frankenstein."'"

When Sir Walter Scott wrote a favorable review of the novel, he thought it was written by Percy Bysshe Shelley. Mary wrote a letter thanking him for his kindness about her book. Speaking of that great Gothic novel, Bennett said, "I think the letters confirm what I have long felt about 'Frankenstein' and her later novels. 'Frankenstein' makes the point that the important thing in life is love, not power. And she already knew that at the age of 19, when she wrote the book." Bennett was sufficiently taken with "Frankenstein" that she wrote a three-act adaptation of it that will be put on at American University in April. Her letters reveal that Mary Shelley believed in "evolutionary radicalism" rather than violent revolutions, Bennett said. Like her father, she supported revolutionaries in Spain and Greece. Although she lived under the British crown, her historical novels showed her to be against monarchy. Bennett said the later years of important literary figures go relatively unexplored by biographers. "In the case of the letters of Mary Wollstonecraft Shelley," she said, "the later years are as important as the formative years in understanding her character."

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O'Keeffe, Hopper in American Sale

NEW YORK — Eleven paintings by Georgia O'Keeffe sold for nearly \$9 million, and two by Edward Hopper brought \$3.6 million on Thursday, in one of the largest-ever offerings of American paintings. The sale at Sotheby's of nearly 400 works included paintings by James McNeill Whistler, Albert Bierstadt, Stuart Davis, Andrew Wyeth, Winslow Homer and Frederick Remington and brought \$37.3 million. Nine of the O'Keefes, including the well-known "Black Hollyhock with Blue Larkspur," which went for \$1.95 million and set an auction record for an O'Keeffe, were sold for Anita O'Keeffe Young, the artist's sister, to Gerald Peters, an art dealer from Santa Fe, New Mexico. The paintings ranged in date from 1924 to 1954 and represented some of O'Keeffe's first efforts at her "big flower" series. The sale of O'Keeffe's paintings coincided with a major retrospective of her work which opened at the National Gallery of Art in Washington in November. "Captain Upton's House," which sold for \$2.31 million, a record for a Hopper, and the same artist's "Hotel Window," sold for \$1.32 million, were painted on a trip up the New England Coast in the 1920s.

His very nose made the point, so perceptible was it. His way of sitting on a horse, likewise. When the two were combined, as in the equestrian statue that is part of the new display at the Met, the result was majesty and at all times, Louis XIV was the most conspicuous person around. He never forgot that, and he saw to it that nobody else did either. His was an existence peculiar to himself. When he got out of bed, he was on view. When he ate his meals, he was on view. Walking, dancing, hunting, saying his prayers or listening to one of the new operas that he so much enjoyed, he

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INTERNATIONAL HERALD TRIBUNE, July 9, 1987

ARTS / LEISURE

Chaotic Auctions Show Effects Of Crash — but Inconsistently

International Herald Tribune LONDON — For the first time since Black Monday spilled bad news for the economy on Oct. 19, the art market here has been giving some unmistakable signs of weakness.

Perhaps the most striking indication that things aren't quite right is provided by the chaotic, inconsistent price pattern, with abrupt ups and downs that do not obviously relate to the quality of the works, or their lack of it.

The hors d'oeuvre was a group of 23 paintings and watercolors that were at one time in the collection of the late Joseph Müller from Solothurn in Switzerland. The name is famous and at first it looked as if everything would be going through the roof.

As the first lot, a watercolor view of a wood in pale almond greens and bluish greys with lots of billowy white by Cézanne, rose to \$297,000 (about \$336,000), professionals looked rather more surprised than pleased.

The attendance was just settling down in stupefied rapture at the wonderful prices — that is to say, wonderful from the vendor's angle — when two nasty mishaps gave it a jolt.



'Les Blanchisseuses,' by Degas: Star painting of the week.

commercial, and which would have done very well a short while ago, was left stranded as the hammer went down at \$520,000. A second Renoir showing a fat woman with sausage-like arms, her camisole slipping down to reveal a bare breast, fell at the same price.

882, did at \$80,000. It is small, 15 by 25 centimeters (about 6 by 10 inches), but has great charm and has been illustrated in the right books. Much the same remark applies to an attractive sketch in oil by Degas. The silhouette of a little girl in a white gown with a big velvet sash tied in a double bow in her back is enchanting.

in yellow. The reason it failed to sell is probably because the white of the canvas comes through at wide intervals. The effect is intentional, but hurried or inexperienced viewers might easily mistake this for an indication of wear and damage to the painted surface.

In paradoxical contrast, an indifferent, almost academic view of the Eglise Saint Jacques at Dieppe, done in 1901 by Pissarro, just made it to the huge reserve, selling for a whopping \$440,000.

Under any other circumstances, this masterpiece should have gone up to \$12 million to \$15 million, which would still be less than half van Gogh's more instantly appealing but far less important 'Self-Portrait' recently sold for \$53.9 million (about \$29.8 million).

On Tuesday, the pattern established at Sotheby's evening sale bore a remarkable resemblance to what had happened the day before at Christie's. Sales added up to \$16,398,800 but the works bought in that day accounted for 30.6 percent of the grand total.

Later a record was established for Matisse when a 'Still Life with



Braque's 'Olive Tree,' sold for £990,000.

a Checkered Serviette,' done in a Fauvist-influenced manner, whizzed to £1,375,000. But that is hardly the work one would have expected to attain that exalted position. A Cubist still life, in a vertical oval format, done by Picasso in 1912, set yet another record as it sold for \$4,118,000.

Here, too, an erratic up and down movement could be observed at times. The Japanese bought 14 works and underbid others, helping to contain the havoc, as they have consistently done this fall.

On Wednesday, as increasingly disturbing news from the New York Stock Exchange poured in,

Sotheby's lesser sale of Impressionist and Modern art, which traditionally follows the evening's major event, revealed to the full the fragility of the market. In the morning, the total sold reached \$3.6 million while the failure rate jumped to 43 percent. In the afternoon session, in which buyers acquired \$2,639,890 worth of Impressionist and Modern drawings and watercolors, failures rose higher still, accounting for over 46 percent of the grand total.

On Thursday, the market proved to be more whimsical than ever. 'Contemporary and Postwar Art' sold in the morning at Sotheby's realized \$3,203,000. This field is widely assumed to be the most vulnerable to the stock market crisis because, analysts have been saying so far, its success is linked to profits made by stockbrokers and others

who then converted some of them into pictures and sculptures. Yet, on Thursday, the failure rate, 24.4 percent, was the lowest that week.

The truth of the matter is that the linkage of the art market to the changing fortunes of the stock market is by no means an automatic one. Art can never be a commodity. Its perception and, therefore, its financial evaluation, is based on an emotional reaction that defies quantification. The growing rarefaction of the works of the past, even the recent past, Impressionist and Cubist, can to some extent counterbalance for a decline in enthusiasm from buyers.

The 'weakness' of the market has so far brought back prices to a level that would have seemed wildly high only two years ago. If the current climb down is kept under control, it will merely restore sanity into an area that needed it desperately.

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Advertisement for Lucio Fontana gallery in Frankfurt, featuring 60 paintings and sculptures.

Advertisement for Galerie de la Corrairie Ecole de Paris in Geneva, featuring works by Boudin, Renoir, and others.

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WALL STREET WATCH

When Its Lows Are Tested, Will Market Pass or Fail?

By VARTANIG C. VARTAN
NEW YORK — It is accepted wisdom among technical analysts that the stock market must test its October low before it gives an indication whether the next meaningful move in prices is up or down. The low occurred on Oct. 19, when the Dow Jones industrial average plunged a record 508 points, or 22.8 percent, to land that day at 1,738.74.

Technical analysts say that if stocks can now hold firm in the general zone of the mid-1,700s, give or take 50 points, then higher prices will follow, at least for the short run.

What is the rationale for testing the market's recent low? "A panic down day is never the end of the sell-off," explained G. M. Dudack of S.G. Warburg & Co. "There is always another shake-out. We feel the odds are 60 percent that the forthcoming test will be successful."

In that event, she forecasts a trading range between 1,700 and 2,250 in the next three months. But if the industrials break well below 1,700, Ms. Dudack envisages "a bear market that could last another six months and see the Dow falling possibly as low as 1,500."

In the eyes of technical analysts, the market went through a testing period on Monday when the Dow briefly was down 110 points and edged below 1,800. It finished at 1,833.55, for a loss that day of 76.93 points. Since then, the Dow has had two days of weak gains, and a loss of 72.44 Thursday to close at 1,776.53.

The technical analysts are brokerage professionals who study charts, sentiment measures and other internal market dynamics. They leave the analysis of individual companies to fundamental analysts. Both the technicians and the fundamentalists, in most cases, failed to predict the sharp October decline in stock prices.

Now, Dennis E. Jarrett of Kidder, Peabody & Co. believes it is "critical" for the mid-1,700s to hold firm against any selling assault. "If the market breaks below that area, we could see capitulation by investors," he said. "I assign only a 10 percent or so probability to such a capitulation in coming weeks. But if it happens, you could start talking 1,500 or even 1,300 in the Dow."

THE PESSIMISTIC camp includes John A. Mendelson, head of the market analysis group at Dean Witter Reynolds. "My view since the crash on Oct. 19 was that it represented only part of an ongoing decline," he said. "By the end of this year, I believe you will see the Dow 50 to 100 points lower than its Oct. 19 close."

Sentiment indicators tell Mr. Mendelson to expect further declines. "The anxiety level of investors still is not high enough," he said. "Most people appear frozen—but not fearful—in their response to what already has taken place in the market."

Unlike many analysts, Mr. Mendelson has been bearish since July 1986. What does he envisage beyond 1987? "Still lower stock prices."

What he describes as "the high level of complacency on the part of investors" also is a danger signal to Alfred E. Goldman, director of technical analysis at A.G. Edwards & Sons Inc. in St. Louis. Mr. Goldman said that "December could be a wild month—both up and down—for stock prices." Looking to 1988, he sees the Dow moving lower in response to a developing recession.

Eugene E. Peroni Jr., director of technical research at Janney Montgomery Scott in Philadelphia, said he expected that over the next four weeks, the Dow will hold mainly in a range bordered by the low 1,800s and the high 1,900s.

"But make no mistake, we are in a bear market," Mr. Peroni said. "By early 1988, investors should realize we are heading into a recession that will start probably early in the second half. On my charts, I can see the Dow falling to between 1,575 and 1,625 by the end of February."

Kidder, Salomon Plan Cuts

Wall Street Firms Retrench

NEW YORK — Kidder Peabody Co. and Salomon Inc. announced cost-cutting measures on Friday, the latest in a string of retrenchments by major Wall Street firms.

Kidder said it expects to lay off about 1,000 people, while Salomon said it would pull out of a plan to be co-owner of a New York development project.

Kidder said the cuts are part of a plan under study for six months that would save \$100 million annually. In addition to the cuts, which represent 13 percent of its work force, Kidder is closing 10 percent of its branch offices and reducing 1987 staff bonuses by 20 percent.

Kidder, a unit of General Electric Co., said nonpersonnel expenses will be cut by 20 percent.

The job cuts are the biggest on Wall Street since Salomon Brothers said in September it would eliminate 800 jobs.

Wall Street has been under increasing pressure because of the stock market collapse last month and the subsequent sharp reduction in volume.

Salomon said it had reached an agreement in principle with New York City to terminate its interest in the Coliseum site project on Columbus Circle for 2.7 million square feet (243,000 square meters) of office and commercial space.

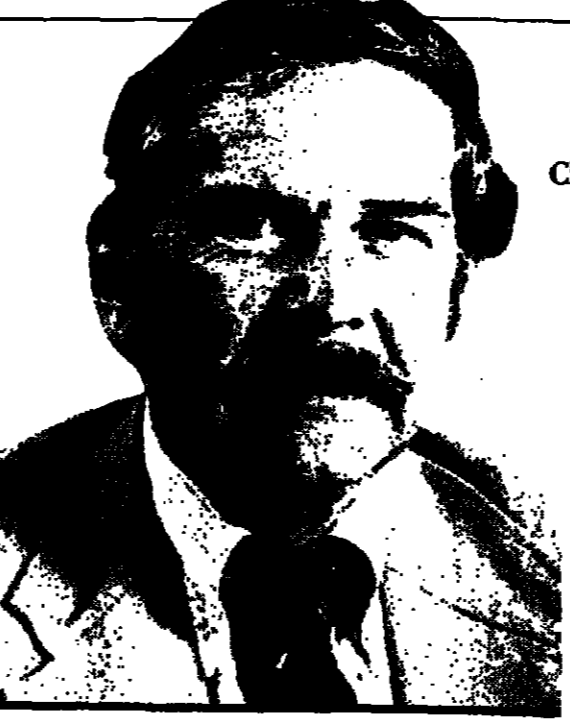
Salomon said it had reduced space requirements. Its chairman, John Gutfreund, said the termination would result in an after-tax charge of \$51 million to fourth quarter earnings.

Salomon said that on a preliminary basis, the company achieved profitable operating results in November. This followed an after-tax loss of \$75 million in October.

Bear Stearns Deal Seen

Bear Stearns & Co. is close to reaching an agreement to acquire New York Stock Exchange specialist unit Asiel & Co., industry sources said Friday, Reuters reported from New York.

It would be the third transaction involving an NYSE specialist unit since the events of Oct. 19 provided evidence that many specialists on U.S. exchanges are inadequately capitalized, analysts said.



Charles E. Sporck, National Semi's president, is expected to cut more staff and product lines to get Fairchild back into shape.

National Semi to Cut Fairchild Fat

But Chief Sees Basic Strength, Too, in Acquired Firm

By Donna K.H. Walters and William C. Rempel
SANTA CLARA, California — Most days at lunchtime, Charlie Sporck pulls on his walking shoes and heads for the park on the grounds of National Semiconductor Corp.'s headquarters here. The long walks show on Mr. Sporck, still lean and fit at 60. Mr. Sporck prefers his business that way, too.

But Mr. Sporck, the company's president, knows he has to put National Semi through some rigorous paces to get it back into shape. Last October, National Semi purchased Fairchild Semiconductor Corp., adding bulk to the company needs to compete in the \$32 billion worldwide chip market. But with Fairchild, Mr. Sporck also bought some weaknesses and extra layers of fat.

Fashioning the merged companies into one strong company is a test of his abilities. "If Charlie can't do it, nobody can," said Jack Beedle, president of In-Stat, a Scottsdale, Arizona, market research firm.

National Semi exists today only because of Charles E. Sporck, a former Fairchild executive who took National Semi in 20 years from a fledgling and failing company with \$7 million in sales to almost \$2 billion in sales. But an industry recession in 1984, coupled with increasing pressure from Japanese competitors, left National Semi with record losses and dropped it into 11th place among the world's chip sellers.

But for \$122 million, National Semi bought Fairchild's estimated \$500 million in annual revenue, and leaptfrogged into sixth place. The acquisition also moved National Semi to first place in sales to the U.S. military, and to the leading position in smaller markets for specialty chips.

But not all that National Semi got with Fairchild was welcomed. In coming months, Mr. Sporck will have to cope with aging Fairchild technologies, the disposal of some product lines that do not mesh

with National Semi's marketing strategies, conflicts of corporate cultures and, at least in the short term, the prospects of continuing financial losses. For several years Fairchild had been a "money pump" for its former parent, Schlumberger Ltd. National Semi returned to profitability itself only in the quarter ended in June, after two years of losses.

Already National Semi has begun to deal with the overlap in products and personnel. It sold one line of products, known as the "Clipper" chip, and in October laid off 400 people in a consolidation of sales staffs.

Industry analysts say they believe that as many as 800 more of the combined 38,000 employees will be laid off before the consolidation is complete. W.J. Sanders, chief executive of Advanced Micro Devices, who earlier this year bought another Silicon Valley chip company, predicted, "There will be a lot of bodies on the streets."

"The only way Fairchild and National will work together is with violent disruptions in the organization and drastic personnel cuts," he said. "I wouldn't want to preside over that bloodbath."

Mr. Sporck, described by his competitors as a skilled and ruthless manager, may be the Silicon Valley executive best suited to make the merger work. In the industry recession of the past two years, Mr. Sporck was one of the first to put pragmatic business responses ahead of traditional Valley paternalism, laying off thousands of employees and ordering intermittent plant shutdowns.

Mr. Sporck moved his company into fields outside semiconductor manufacturing to shelter it from the cyclical swings endemic to the computer chip business.

He also recognized the vulnerability of the smaller companies that make up the U.S. semiconductor industry, particularly in competition with Japan. National Semi's merger with Fairchild is only part of a trend that experts predict will

U.S. Jobless Rate Fell Slightly in Month to 5.9%

Compiled by Our Staff From Dispatches
WASHINGTON — The U.S. civilian jobless rate returned to 5.9 percent in November, its lowest level in the 1980s, as 315,000 more Americans found work, the Labor Department said Friday.

Analysts and management consultants say they have found nothing to indicate that the plunge in stock prices on Oct. 19 and wide fluctuations since then have curtailed the employment growth of the past five years. But the November jobs gains were higher than almost all of them had predicted.

The 0.1 percentage point drop from October's unemployment rate of 6 percent brought the rate back to the September level, the lowest it has been since July 1979, when the rate was 5.7 percent.

October's increase had been the first in 13 months. Unemployment dropped by 58,000 to 7.1 million in November. A year earlier, there were 8.2 million people out of work and seeking jobs.

Factories put 70,000 new workers on their assembly lines last month, raising to 300,000 the number of jobs gained in the manufacturing sector since June.

The share of Americans holding jobs climbed two-tenths of a percentage point in November to 61.9 percent, the highest ever, the Labor Department said.

A separate survey of businesses showed payroll growth of 275,000, about half the increase in October. Next to manufacturing, the largest job gains were in health services, which jumped by 47,000.

Construction employment, seasonally adjusted, increased by 35,000. The number of winter layoffs was smaller than usual because higher interest rates had led to weak hiring over the summer.

The transportation, public utilities and wholesale trade areas of the economy each added 25,000 jobs in November.

Despite the stock price collapse, employment among finance, insurance and real estate companies rose by a total of 15,000, offsetting a decline of 2,000 in October.

The October figures were collected the week before the market collapse. Friday's unemployment report is the first government indicator of a full month's economic activity since then.

The jobless figures "give a remarkably consistent reading of considerable momentum prior to

Gardini Wins Montedison Post; Statoil Chief Out

ROME — Raul Gardini, chairman of Gruppo Ferruzzi, was appointed chairman of the chemicals giant Montedison SpA on Friday, forcing out Mario Schimberni.

The appointment was announced after a Montedison board meeting. Ferruzzi, the agribusiness company that owns about 40 percent of Montedison's shares, announced late last month that it would nominate Mr. Gardini, 54, for Mr. Schimberni's post.

Ferruzzi said at the time that it wanted to take a bigger management role in Montedison. A statement after Friday's meeting said that after "calm and careful reflection," Montedison would start reorganization with respect to "nonstrategic sources of income." That appeared to indicate that Mr. Gardini would consider selling some of Montedison's companies to reduce its 7.6 trillion lire (\$6.2 billion) debt.

Separately, in Oslo, the new board of the troubled state-owned oil company Statoil accepted the resignation Friday of Arve Johnsen, the managing director, who had headed Statoil since its founding 15 years ago.

Mr. Johnsen, 53, offered to step down last month after a scandal over cost overruns of \$840 million. (Reuters AP)

Currency Rates

Table with columns for Currency, Bid, Ask, and other rates. Includes entries for Amsterdam, London, Frankfurt, etc.

Other Dollar Values
Currency Bid Ask
Aust. dollar 1.229 1.231
Aust. schill. 13.44 13.46

Forward Rates
Currency 30-day 60-day 90-day
Pound Sterling 1.801 1.805 1.809

Key Money Rates
United States 6 6
Discount rate 6 6

Interest Rates

Table with columns for Eurocurrency Deposits, 1 month, 3 months, 6 months, 1 year.

Table with columns for Key Money Rates, 30-day, 60-day, 90-day.

Table with columns for Asian Dollar Deposits, 1 month, 3 months, 6 months, 1 year.

U.S. Money Market Funds

Table with columns for Fund Name, 30-day average yield, 1-year yield.

Gold

Table with columns for Location, Price, Change.

Japanese Committee Proposes Package of Changes in Financial System

TOKYO — A Finance Ministry panel has offered a set of proposals for changes in Japan's financial system, a ministry official said Friday.

The report's suggestions and ideas include abolition of barriers strictly dividing long-term, commercial, trust and smaller banks' operations and a lowering of barriers. The reforms would be carried out only after further discussion and there could be modifications, the ministry said.

Hiroshi Ishikawa, general manager of Nikko Research Center Ltd.'s planning division, said, "The report is epoch-making as it presents a comprehensive picture of the Japanese financial system in the future and hammers out possible directions."

The report, aimed at putting Japan's system more in line with international standards, was compiled by the Financial Systems Research Council, approved by the council's general assembly on Friday

and presented to Finance Minister Kiichi Miyazawa. The pace of changes will differ because some require revision of laws or regulations, the Finance Ministry official said.

Industry and political analysts said they were confident that the general thrust of the report would eventually be reflected in Japan and banks and brokers could foresee the shape of the total system and were prepared to adapt themselves to it.

In the key area of the division between brokerages and banks, the final report is less specific than in draft versions, senior bank officials said. The draft was modified because of political pressure aimed at protecting vested interests, they said.

An uncertain outlook in the United States for major changes in the Glass-Steagall Act, which restricts U.S. bank activities in the equity and capital markets, also prompted modification, analysts said.

The analysts said the draft had recommended definite steps toward universal banking, whereby banks could engage in securities and investment trust business and vice versa. It said one means would be bank and brokerage moves into new areas via subsidiaries.

The final report called only for a review of the current system's legal requirements for a strict boundary between banks and securities business. It also suggested that consideration be given to whether banks should assume complete responsibility for securities business, which carries greater risks than current activities. The report noted that Canada allows bank-allied institutions to do trust and securities business.

Mr. Sporck moved his company into fields outside semiconductor manufacturing to shelter it from the cyclical swings endemic to the computer chip business.

He also recognized the vulnerability of the smaller companies that make up the U.S. semiconductor industry, particularly in competition with Japan. National Semi's merger with Fairchild is only part of a trend that experts predict will

Japan's Economic Growth Surged By 2% in July-September Quarter
TOKYO — Japan's economy grew at a robust 2 percent for the three months ended in September from the previous quarter, the highest increase in three and a half years and equal to an annual rate of 8.4 percent, the Economic Planning Agency said Friday.

"We are now almost certain we can achieve our 3.5 percent growth target" for gross national product in the financial year ending in March, said a senior official at the agency, "and probably even do better than that."

Japan Hit by Foreign Selling

TOKYO — Foreigners pulled a record \$8.386 billion in net capital investments out of Japan in October, as U.S. financial institutions sold relatively buoyant Japanese stocks to meet potential U.S. obligations, a Finance Ministry official said Friday.

The American institutions sold the stocks to raise cash to meet possible redemptions of mutual funds as Wall Street plunged in mid-October, the official said.

The previous peak in net foreign capital outflows was \$5.24 billion set in October 1986. The new record came after a foreign capital surplus of \$6.60 billion in September.

Net sales of stocks alone set a record of \$12.35 billion, after sales of \$1.2 billion in September and the previous record of \$6.18 billion in July, the official said.

Partly because the government requested that Japanese securities firms support plunging stock prices, values on the Tokyo Stock Exchange fell less sharply than on many other exchanges.

Long-term capital outflows in October, as a result of the foreign selling, were the second largest ever registered at \$18.88 billion.

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| IBM | 234.00 | 233.00 | 233.00 | +1.00 |
| AT&T | 228.00 | 227.00 | 227.00 | +1.00 |
| Amgen | 224.00 | 223.00 | 223.00 | +1.00 |
| Amgen | 224.00 | 223.00 | 223.00 | +1.00 |
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| Amgen | 224.00 | 223.00 | 223.00 | +1.00 |
| Amgen | 224.00 | 223.00 | 223.00 | +1.00 |

| | |
|------------------------|-------------|
| NYSE 4 a.m. volume | 164,000,000 |
| NYSE prev. cons. close | 24,042,130 |
| A sum. volume | 1,170,000 |
| Amex prev. cons. close | 11,100,000 |
| A sum. volume | 1,170,000 |
| OTC prev. cons. close | 1,170,000 |
| A sum. volume | 1,170,000 |
| NYSE volume up | 126,323,000 |
| NYSE volume down | 14,140,000 |
| Amex volume up | 1,170,000 |
| Amex volume down | 2,927,000 |
| OTC volume up | 1,170,000 |
| OTC volume down | 8,000,000 |

| High | Low | Close | Chg. |
|-------------|--------|--------|-------|
| Composite | 124.54 | 124.24 | -1.16 |
| Industrials | 128.82 | 128.41 | -1.21 |
| Transp. | 124.24 | 123.94 | -1.21 |
| Utilities | 124.24 | 123.94 | -1.21 |
| Finance | 124.24 | 123.94 | -1.21 |

Friday's NYSE Closing
Via The Associated Press

| Class | Prev. |
|--------------|--------|
| Advanced | 124.24 |
| Declined | 124.24 |
| Unchanged | 124.24 |
| Total Issues | 124.24 |
| New Highs | 124.24 |
| New Lows | 124.24 |

| Close | Chg. | Week Ago | Year Ago |
|-------------|--------|----------|----------|
| Composite | 274.24 | -1.21 | 33.89 |
| Industrials | 281.17 | -1.21 | 42.14 |
| Finance | 274.24 | -1.21 | 33.89 |
| Insurance | 274.24 | -1.21 | 33.89 |
| Transp. | 274.24 | -1.21 | 33.89 |

| Vol. | High | Low | Last | Chg. |
|---------|--------|--------|--------|-------|
| Schaeff | 238.00 | 237.00 | 237.00 | +1.00 |
| WDAI | 234.00 | 233.00 | 233.00 | +1.00 |
| BAT | 228.00 | 227.00 | 227.00 | +1.00 |
| TCR | 224.00 | 223.00 | 223.00 | +1.00 |
| NY Time | 220.00 | 219.00 | 219.00 | +1.00 |
| Hirsch | 216.00 | 215.00 | 215.00 | +1.00 |
| Amstar | 212.00 | 211.00 | 211.00 | +1.00 |
| Amstar | 212.00 | 211.00 | 211.00 | +1.00 |
| Amstar | 212.00 | 211.00 | 211.00 | +1.00 |
| Amstar | 212.00 | 211.00 | 211.00 | +1.00 |
| Amstar | 212.00 | 211.00 | 211.00 | +1.00 |

| Class | Close | Chg. |
|-------------|-------|-------|
| Bonds | 84.85 | +0.02 |
| Utilities | 84.85 | +0.02 |
| Industrials | 84.85 | +0.02 |

| Class | Prev. |
|--------------|--------|
| Advanced | 124.24 |
| Declined | 124.24 |
| Unchanged | 124.24 |
| Total Issues | 124.24 |
| New Highs | 124.24 |
| New Lows | 124.24 |

| Dec. 3 | Dec. 4 | Dec. 5 | Dec. 6 |
|---------|---------|---------|--------|
| Buy | 207,133 | 519,229 | 4,880 |
| Sell | 277,789 | 429,804 | 1,728 |
| Nov. 29 | 44,003 | 207,256 | 2,254 |
| Nov. 30 | 148,146 | 514,026 | 2,254 |

| Open | High | Low | Last | Chg. |
|---------|--------|--------|--------|-------|
| Index | 124.24 | 124.24 | 124.24 | -1.16 |
| Transp. | 124.24 | 124.24 | 124.24 | -1.21 |
| Indust. | 124.24 | 124.24 | 124.24 | -1.21 |
| Comm. | 124.24 | 124.24 | 124.24 | -1.21 |

| High | Low | Close | Chg. |
|-------------|--------|--------|-------|
| Industrials | 274.24 | 274.24 | -1.21 |
| Transp. | 281.17 | 280.17 | -1.21 |
| Utilities | 274.24 | 274.24 | -1.21 |
| Finance | 274.24 | 274.24 | -1.21 |
| Insurance | 274.24 | 274.24 | -1.21 |
| Transp. | 274.24 | 274.24 | -1.21 |

| Class | Prev. |
|--------------|--------|
| Advanced | 124.24 |
| Declined | 124.24 |
| Unchanged | 124.24 |
| Total Issues | 124.24 |
| New Highs | 124.24 |
| New Lows | 124.24 |

| High | Low | Close | Chg. |
|-------------|--------|--------|-------|
| Index | 234.00 | 233.00 | -1.00 |
| Industrials | 234.00 | 233.00 | -1.00 |
| Finance | 234.00 | 233.00 | -1.00 |
| Insurance | 234.00 | 233.00 | -1.00 |
| Transp. | 234.00 | 233.00 | -1.00 |

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

NYSE Slides in Active Trading

United Press International
NEW YORK — Prices on the New York Stock Exchange slid Friday to within a few points of the October lows with investors fearful that the market's short-term outlook is for further losses. Trading was active.

The Dow Jones industrial average, which plunged 72.44 Thursday, fell 9.79 on Friday to close at 1,766.74. The Dow had been down more than 30 points before a spurt of buying in the final minutes.

For the week, the index lost 143.74 points, and stood just 28 points above the Oct. 19 close of 1,738.74, when it fell 508 points.

Declines led advanced by almost a 5-1 ratio. Volume totaled 184.8 million shares, down from 204.16 million traded Thursday.

"There is just no real spark for the upside," said Chester Pado, director of technical research at Jefferies & Co. in Los Angeles. "In bear markets, when it's weak on Friday, it is usually weak on Monday. In light of that fact, traders are not looking to take positions" over the weekend.

Mr. Pado said the market was "fairly over-sold" and, provided the market declined to the lows of mid-October, there was some demand waiting in the wings.

"We could get a pretty good rally" he said, adding, however, that the market suffers from a belief that the European interest rate cuts announced Thursday might not be enough to stabilize the dollar and that the amount of liquidity that followed the market plunge was declining.

The posture must "be still defensive in this market," said Ricky Harrington, a technical analyst with Interstate Securities Corp. in Charlotte, North Carolina.

Mr. Harrington said any daily advance "must be taken as a technical rally because the underlying premise is that we are in a bear market. And it will take considerable evidence to prove otherwise before we change our mind."

He said the early weakness "was the normal carryover" from the previous selling pressure. He said the market now faced resistance on the upside at around 1,800 on the Dow industrials.

In economic news Friday, the government reported that the U.S. civilian unemployment rate fell 0.1 percentage point last month to 5.9 percent and nonfarm payrolls rose 274,000. The data exceeded market expectations.

"Right now this market is influenced by the wider, bigger international picture. The domestic indicators are really past history," Mr. Harrington said. "The marketplace is more interested in what the economy and the world economy will look like in the middle of next year. And there is definitely an uncertain outlook."

Cigna was the most active NYSE-listed issue, down 1/4 to 44 1/2.

Enron followed, up 1/4 to 35 1/2.

General Electric was third, down 1/4 to 39 1/2.

AT&T was unchanged at 26. IBM was up 1/4 to 107 1/2.

In the auto sector, General Motors was off 1/4 to 55 1/2. Ford was down 1/4 to 72 1/2 and Chrysler was off 1/4 to 20 1/2.

| Div. | Yld. | PE | 52 High | 52 Low | Close | Chg. |
|------|------|------|---------|--------|-------|------|
| 12M | 1.25 | 12.3 | 41 | 14 | 14 | + |
| 12M | 1.25 | 12.3 | 41 | 14 | 14 | + |
| 12M | 1.25 | 12.3 | 41 | 14 | 14 | + |
| 12M | 1.25 | 12.3 | 41 | 14 | 14 | + |
| 12M | 1.25 | 12.3 | 41 | 14 | 14 | + |
| 12M | 1.25 | 12.3 | 41 | 14 | 14 | + |
| 12M | 1.25 | 12.3 | 41 | 14 | 14 | + |
| 12M | 1.25 | 12.3 | 41 | 14 | 14 | + |
| 12M | 1.25 | 12.3 | 41 | 14 | 14 | + |
| 12M | 1.25 | 12.3 | 41 | 14 | 14 | + |



WISHING YOU A 'BLUE WHITE' CHRISTMAS
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Unmistakably

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| Div. | Yld. | PE | 52 High | 52 Low | Close | Chg. |
|------|------|------|---------|--------|-------|------|
| 12M | 1.25 | 12.3 | 41 | 14 | 14 | + |
| 12M | 1.25 | 12.3 | 41 | 14 | 14 | + |
| 12M | 1.25 | 12.3 | 41 | 14 | 14 | + |
| 12M | 1.25 | 12.3 | 41 | 14 | 14 | + |
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| 12M | 1.25 | 12.3 | 41 | 14 | 14 | + |
| 12M | 1.25 | 12.3 | 41 | 14 | 14 | + |
| 12M | 1.25 | 12.3 | 41 | 14 | 14 | + |

| Div. | Yld. | PE | 52 High | 52 Low | Close | Chg. |
|------|------|------|---------|--------|-------|------|
| 12M | 1.25 | 12.3 | 41 | 14 | 14 | + |
| 12M | 1.25 | 12.3 | 41 | 14 | 14 | + |
| 12M | 1.25 | 12.3 | 41 | 14 | 14 | + |
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| 12M | 1.25 | 12.3 | 41 | 14 | 14 | + |

| Div. | Yld. | PE | 52 High | 52 Low | Close | Chg. |
|------|------|------|---------|--------|-------|------|
| 12M | 1.25 | 12.3 | 41 | 14 | 14 | + |
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| 12M | 1.25 | 12.3 | 41 | 14 | 14 | + |

| Div. | Yld. | PE | 52 High | 52 Low | Close | Chg. |
|------|------|------|---------|--------|-------|------|
| 12M | 1.25 | 12.3 | 41 | 14 | 14 | + |
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| 12M | 1.25 | 12.3 | 41 | 14 | 14 | + |

| Div. | Yld. | PE | 52 High | 52 Low | Close | Chg. |
|------|------|------|---------|--------|-------|------|
| 12M | 1.25 | 12.3 | 41 | 14 | 14 | + |
| 12M | 1.25 | 12.3 | 41 | 14 | 14 | + |
| 12M | 1.25 | 12.3 | 41 | 14 | 14 | + |
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| 12M | 1.25 | 12.3 | 41 | 14 | 14 | + |
| 12M | 1.25 | 12.3 | 41 | 14 | 14 | + |
| 12M | 1.25 | 12.3 | 41 | 14 | 14 | + |
| 12M | 1.25 | 12.3 | 41 | 14 | 14 | + |

| Div. | Yld. | PE | 52 High | 52 Low | Close | Chg. |
|------|------|------|---------|--------|-------|------|
| 12M | 1.25 | 12.3 | 41 | 14 | 14 | + |
| 12M | 1.25 | 12.3 | 41 | 14 | 14 | + |
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| 12M | 1.25 | 12.3 | 41 | 14 | 14 | + |
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| 12M | 1.25 | 12.3 | 41 | 14 | 14 | + |
| 12M | 1.25 | 12.3 | 41 | 14 | 14 | + |

| Div. | Yld. | PE | 52 High | 52 Low | Close | Chg. |
|------|------|------|---------|--------|-------|------|
| 12M | 1.25 | 12.3 | 41 | 14 | 14 | + |
| 12M | 1.25 | 12.3 | 41 | 14 | 14 | + |
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|------|------|------|---------|--------|-------|------|
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| 12M | 1.25 | 12.3 | 41 | 14 | 14 | + |
| 12M | 1.25 | 12.3 | 41 | 14 | 14 | + |
| 12M | 1.25 | 12.3 | 41 | 14 | 14 | + |

| Div. | Yld. | PE | 52 High | 52 Low | Close | Chg. |
|------|------|------|---------|--------|-------|------|
| 12M | 1.25 | 12.3 | | | | |

Friday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trading elsewhere.

12 Month High Low Div. Yld. PE Ratio

Table with columns for stock symbols, prices, and financial ratios. Includes sub-sections for (Continued) and N.

Table with columns for stock symbols, prices, and financial ratios. Includes sub-sections for O and P.

Table with columns for stock symbols, prices, and financial ratios. Includes sub-sections for X-Y-Z and other symbols.

Main table of stock prices and market data, including various international and domestic securities.

BUSINESS ROUNDUP

Kuwait Reported to Hold 11% of BP

Compiled by Our Staff From Dispatches LONDON — The Kuwait Investment Office increased its stake in British Petroleum Co. on Friday...

In Shearson-Hutton, Merrill Has a Powerful Rival

By Kenneth N. Gilpin

New York Times Service

NEW YORK — For years, executives at Wall Street's big retail brokerages have worked at creating financial powerhouses that can create imaginative deals with one hand and market them far and wide with the other.

But until Thursday none of them had taken such a giant step in that direction. Now Shearson Lehman Brothers, with its pending acquisition of E.F. Hutton & Co., is poised to become the most powerful firm on Wall Street, several securities analysts say.

Found for round, the new entity is stronger in many key respects, they believe, than the industry giant Merrill Lynch & Co. For one thing Shearson has been in the thick of more merger and acquisition transactions, thanks largely to its acquisition of the Lehman Brothers firm three years ago.

And with Hutton's retail brokerage system, Shearson will have more brokers than Merrill's "Thundering Herd," thus putting Shearson in a position to garner more corporate clients for stock and bond offerings.

Moreover, Shearson has proved its ability to control costs, an area that has bedeviled Merrill Lynch for years.

"This will be the biggest and most well-balanced securities firm in the country," said Fern Lind, a securities industry analyst at Lippert Analytical Securities.

In terms of overall size Merrill Lynch remains the largest U.S. securities firm, with total capital of \$8 billion, nearly \$3 billion more than the combined Shearson and Hutton firms.

In addition, not everybody

agrees that Shearson now has the edge, least of all Merrill Lynch. "We are looking at what they are and what we are, and we feel pretty confident of our own abilities," said Peter Leach, a spokesman for Merrill Lynch. Top executives at Merrill would not comment on the Shearson acquisition.

"Merrill will continue to be the leader in some areas, like international, and Shearson in others," said Joel Rosenthal, an analyst at Jesp & Lamont. "What you have now are two very powerful companies competing on reasonably equal footing."

Analysts acknowledge that their glowing comments about the prospects for a Shearson-Hutton marriage are based on the assumption

that Shearson, which has proved it has the ability to turn down-in-the-mouth firms into profitable entities, can do it again with Hutton. Among other things, insiders say Hutton is suffering from morale problems and faces potential suits brought by shareholders against officers and directors for rejecting the \$50-a-share offer that Shearson made for Hutton in November 1986.

Those problems, plus the possibility that Merrill might face antitrust action, were enough to convince Merrill Lynch that a bid for Hutton was not worth it, Wall Street sources say.

For the moment, analysts are betting that Shearson will overcome the difficulties it has inher-



Richard Dow/The Associated Press. When E.F. Hutton talks, people listen — Peter A. Cohen, chairman of Shearson, right, listens to Robert P. Rittereiser, Hutton's president.

ed, as well as ride out what looks to be a treacherous and difficult period for a full-service retail broker and investment bank.

"Over a long period of time Shearson's philosophy has been to acquire firms that are basically either over the hill or offering because of internal bickering," Mr. Long says. "What they have been able to do is to take the best of those organizations and move forward."

In buying Hutton, Shearson has more than doubled its branch network, and seen its sales force swell to more than 12,000. Those ranks are almost sure to be pruned, and with the financial markets in the doldrums, analysts and Wall Street executives say, Hutton's network is not likely to produce immediate benefits.

But in the long run, they said, the firm could realize enormous gains. "This is a great deal for Shearson," said Brenda Davis McCoy, a securities analyst at PaineWebber. "You can make the argument that the future of the market and the industry is up in the air right now, but I think the retail brokerage business is going to be fairly good in the longer term. And people forget that nobody thought that the Lehman deal was going to succeed. But it has turned out very well."

With a much larger sales force, Mr. Long and other analysts said, Shearson's investment bankers will not only be willing to take on more deals, but could also become much more competitive in pricing them.

"This would definitely give their investment bankers more leverage, particularly from the distribution point of view," said Lawrence Eckenfelder, a securities analyst at Prudential-Bache Securities.

New SAS Plan For Caledonian

Reuters

LONDON — Britain's Civil Aviation Authority said Friday that Scandinavian Airlines System would submit a revised plan to acquire a friendly stake in British Caledonian Group PLC.

The CAA indicated in a statement Friday that it could not back SAS's plan for a 40 percent holding with limited voting power of 29.5 percent.

Industry sources said the CAA had not rejected the present proposal in principle, but was seeking a British shareholder to match the voting power of SAS. If the CAA rules that control has passed out of British hands, the government can revoke the airline's licenses.

NEC Reports 10% Rise in Net for First Half

Reuters

TOKYO — NEC Corp., the Japanese computer maker and electronics concern, reported Friday that net profit in the first half of its financial year rose 10.7 percent from a year earlier, to 9.52 billion yen (\$70 million) from 8.6 billion.

Sales for the first half, ended Sept. 30, were 1.24 trillion yen, up 6.8 percent from 1.16 trillion, helped by good domestic appliance sales and increased overseas production. Per-share earnings were 6.64 yen, up from 6.15 yen.

NEC has revised its forecast for group net for the year ending in March to 27.50 billion, up from an earlier estimate of 25 billion yen and up 83 percent from 15.03 billion yen a year earlier, a company spokesman said. The upward revision was based mainly on expected drops in production costs.

Sales in 1987-88 are estimated at

2.7 trillion yen, unchanged from an earlier forecast and up 10.2 percent from 2.45 trillion a year earlier.

NEC said that first-half sales of the computers and industrial electronic systems division, accounting for 40.8 percent of total, rose 13 percent from a year earlier, to 506.17 billion yen. Annual sales of the division are expected to rise 12.6 percent from a year earlier to 1.14 billion, the company said.

First-half sales of the communications device division, accounting for 28.3 percent of total sales, fell 3.3 percent to 352.02 billion mainly because of lower exports. But the company said it expected the division's sales to rise 4.3 percent to 730 billion yen in 1987-88 mainly because of expected sales to Nippon Telegraph & Telephone Corp. and Daini-Denden Inc.

Semiconductor division sales,

accounting for 17 percent of total, rose 7.8 percent to 211.63 billion in the first half, helped by a recovery of the price of semiconductors. This division's sales are expected to rise 13.9 percent to 475 billion in 1987-88.

First-half overseas sales, accounting for 29 percent of total sales, rose 7.4 percent to 360.27 billion. Overseas sales for the 1987-88 year are estimated at 780 billion, up 12.2 percent.

NEC forecast that group research and development expenditure, including engineering expenses, will rise to 40 billion yen in 1987-88 from 383.80 billion a year earlier.

Group capital spending is estimated at 190 billion, unchanged from a year earlier, mainly for increased semiconductor and computer production facilities.

SEMI: President Sees Basic Strengths at Fairchild but Is Expected to Trim Fat

(Continued from first finance page)

continue until there are only 10 to 15 significant chip makers left in the world. "I want to stay in this game," Mr. Spork said at an annual meeting of the Semiconductor Industry Association during the depths of the chip makers' recession. "I want to find ways to stop the bleeding. And I am determined to do whatever it takes to succeed."

Today analysts are betting that he can, largely because of Fairchild. The fact that Mr. Spork got Fairchild for what one analyst called "a ridiculously low price — a \$122 million joke" made the deal especially attractive. Many analysts said they were stunned by the bargain price.

"They stole Fairchild," Mr. Beadle of In-Stat said. Mr. Spork's offer came late last summer after Fujitsu Ltd. of Japan dropped its much higher bid in the face of political opposition in Washington. Fujitsu had offered \$200 million for an 80 percent stake in Fairchild and seemed to have a clear field when no competing offers arose. There was widespread surprise in the U.S. industry that Fairchild was a company past its prime.

Steven P. Jobs, one of the founders of Apple Computer, said that "Fairchild wasn't worth \$200 million to anybody but Fujitsu," which needed a U.S. base of operations. Mr. Spork had criticized the

planned takeover, saying that Fairchild's purchase by a large Japanese competitor endangered an already weakened U.S. industry. He said at the time that he had no intention of bidding for Fairchild. Mr. Spork said he did not be-

lieved, Mr. Spork said: "We didn't know, nor did the industry know, how strong Fairchild was in certain important technologies. We didn't have any idea until last summer."

Specifically, Mr. Spork cited "The only way Fairchild and National will work together is with violent disruptions in the organization and drastic personnel cuts. I wouldn't want to preside over that bloodbath."

— W.J. Sanders, chief of Advanced Micro Devices

come interested in Fairchild until months after Fujitsu abandoned its attempted purchase under pressure from the Department of Commerce, the U.S. Trade Representative's Office and some Pentagon officials. He said his interest was piqued by a news article he read while traveling in Europe last summer, a story speculating that a number of international chip companies were considering making offers for Fairchild.

"I figured we'd better look too," Mr. Spork recalled. He said that after an inspection of Fairchild's accounts and technology data "it looked even better than we originally thought."

In an interview shortly before the Fairchild takeover was com-

pleted, Mr. Spork said: "We didn't know, nor did the industry know, how strong Fairchild was in certain important technologies. We didn't have any idea until last summer."

Specifically, Mr. Spork cited

Fairchild's edge in three types of products. The plumb, he said, could be the "Fast" bipolar logic chip used in high-performance computer systems.

"We see them as the strongest supplier," Mr. Spork said. "That product is winning over Texas Instruments. It gets us into the No. 1 position instantly."

He also said that Fairchild technologies would make National Sem a top seller in growing markets for other types of logic chips. In one of those types, the emitter-coupled logic chip used in supercomputers, for example, National Sem moves immediately to the third-place market position behind Motorola Inc. and Fujitsu.

Mr. Spork is accustomed to suc-

cess. He left Fairchild in 1967 to take over leadership of a nearly bankrupt National Semi. He immediately plowed under the corporate putting green, which he considered a costly distraction, and soon moved the company headquarters to California from Connecticut.

He drove down labor and production costs by building plants overseas and leading the industry in automating assembly lines. From the brink of bankruptcy, National Semi had more than a decade of sustained profit growth and increased annual revenue from \$7 million to nearly \$2 billion.

Some at Fairchild worry that Mr. Spork "will just pick the bones" of the newly acquired firm. But analysts say cutbacks are essential.

Drew Peck, semiconductor analyst at Donaldson, Luffkin & Jenrette in New York, said there would have to be "sweeping cuts, especially on the marketing side and probably on the engineering side."

But doing so, he said, would enable the new company to become profitable quickly, probably within two quarters.

Mr. Spork and the transition team handling the merger must make some tough decisions about which operations to shed. In addition to the \$8 million it got for the Clipper line, Mr. Johnson said National Semi could reduce the total cost of the acquisition by another \$25 million with the sale of other less attractive Fairchild divisions.

CURRENCY MARKETS

Central Bank Buying Boosts Dollar

NEW YORK — The dollar closed higher against most major currencies on Friday, boosted by unexpectedly good U.S. employment figures and central bank intervention in Europe, dealers said.

London Dollar Rates table with columns for currency, price, and change.

In London, the dollar closed at 1.6675 DM, up from 1.6585 DM at Thursday's close.

closed at 2.9963 in London, down from 2.9988 on Thursday. Dealers said they were skeptical about rumors in the market that Britain was about to join the European Monetary System...

BIS Reportedly Will Discuss G-7 Prospects

TOKYO — Central bank governors meeting in Basel, Switzerland, on Monday are expected to discuss whether the Group of Seven industrial nations should meet to coordinate financial policies...

10.3 Billion DM in Capital Left West Germany in October

FRANKFURT — Foreigners pulled a net 10.3 billion Deutsche marks (\$6.2 billion) in capital out of West Germany in October, when world equities markets collapsed, according to a Bundesbank report published Friday.

In October, foreign investors cashed in a net 4.4 billion DM worth of domestic bonds and 700 million DM of public debt subscriptions. They also sold 3.7 billion DM worth of corporate stock...

man clearing system is highly efficient, and investors bargained with margin calls on Wall Street knew they could convert their German holdings swiftly into cash.

Pohl Sees Slim Chance Of Further Rate Cut

FRANKFURT — The head of West Germany's central bank, Karl Otto Pohl, said Friday that it was unlikely the Bundesbank would cut its discount rate again soon.

RATES: International Cooperation Question Still Open

(Continued from Page 1) percent go to other members of the European Community. But West German officials are still moving cautiously on their spending and tax policies.

which they consider to be actually a way of deliberately depressing the currency. The Germans are also worried by voices within the Reagan administration asserting that it is neither possible nor necessary to stabilize the dollar through international cooperation...

international policy coordination is doubtful. The Bundesbank's discount-rate cut was important for curbing the mark and arresting the fall of the dollar by increasing the attractiveness of dollar assets.

Not without the United States itself as a participant. Deposits slipped in 10 of the 12 months before October, falling \$1.6 billion in September and \$541 million in August.

U.S. Says Thrifts Made Hay During October Turbulence

WASHINGTON — Deposits poured into insured accounts at savings and loan institutions in October as investors sought to get off the stock market roller coaster, according to a U.S. government report published Friday.

Euro-Commercial Paper

Table with columns for issuer, amount, bid, ask, and rate for various Euro-commercial paper instruments.

Friday's OTC Prices advertisement with logo and text: 'This list, compiled by the AP, consists of the 1200 most traded securities in terms of dollar value.'

Large table of OTC stock prices with columns for stock name, price, and change.

Table of stock prices for companies starting with 'A' through 'G'.

Table of stock prices for companies starting with 'H' through 'M'.

Table of stock prices for companies starting with 'N' through 'S'.

Table of stock prices for companies starting with 'T' through 'Z'.

Table of stock prices for companies starting with 'A' through 'Z'.

Friday's AMEX Closing advertisement with logo and text: 'Tables include the nationwide prices as of the closing on Wall Street and do not reflect late trades elsewhere.'

Table of stock prices for companies starting with 'A' through 'Z'.

ACROSS

1 CUTTING
9 Incensed
14 Gushes
20 An S.S.R.
21 Calyx leaf
22 Caddoan
23 Pertinent part of the "Gloria Patri"
26 Halloween option
27 Popular drink
28 Duel memento
29 Midding
30 Causes resentment
32 Waste allowance
34 Brandish
38 NAUTICAL CHAIN
39 Venerable
42 Make effervescent
47 Wagnerian goddess
48 GAZE
FIXEDLY

DOWN

1 TAVERN
2 RUSSIAN NEWS SERVICE
3 Milk
4 Table d'
5 To the center
6 Dwarf-cattle breed
7 Methuen or helium
8 Laughs disrespectfully
9 Cordage fiber
10 Old story newly told
11 Wou-wou, e.g.
12 PIERCE
13 Negative particle
14 SEEK TO ATTAIN
15 Cooking utensil

ACROSS

50 Ark numbers
52 Roof edges
53 SHINY METAL language
55 Decorated
58 Binds
59 Nap-producing plants
60 Odds and such
61 Shine
63 GLUTINOUS SUBSTANCE
65 Changed the hue
66 State
70 Resistance to change
73 Some moths
74 Inexpensive tires
76 Item
78 Foot lever
79 Fashions
81 Mercenary
86 Partners of haws
87 Domesticates

DOWN

16 PLANTED
17 Mussel genus
18 ACTRESS
19 Anna state
20 Flower
24 Nick from Omaha
25 Needlefish
31 Province of Mozambique
33 NICE HOT TIME
34 Sobbed
35 Diet
36 Writer Ferber
37 DROSS
40 EXPLORER
41 Distorted
43 AU
44 Fly a plane
45 Wobble

ACROSS

89 Important court action
90 Vacant
92 Buffalo's country
93 Recalls
95 WISE
96 Like a clarinet
98 Atlanta arena
100 FASTER
101 Celebes oxen
102 Globule
104 HASTEN
107 Crime boss
111 Goddess of discord
113 Jannings or Ludwig
114 Giant grass
118 Pertinent words from La Fontaine's "Fables"
123 FRIGHTENS
124 Atka native
125 Hotel fee
126 Wrong
127 Slightly daff
128 Autobahn

DOWN

46 TAXED: DIAL
48 Warning device
49 Rhone tributary
51 DANISH WEIGHTS
54 Looked askance
56 Humiliate
57 Sine die
60 Assimilate
62 "My country"
65 A GERSHWIN
66 Garfield's follower
67 Placid
68 Addison's co-
69 POTATOES
71 Rubbed out
73 Lock

DOWN

72 POSE
75 PARADISE
77 Photographic word
79 Mangle
80 ALASKAN CITY
82 Peruse
83 Shakespearean villain
84 On the briny

DOWN

85 Headland
88 FRENCH
89 GRAPHIC ARTS TOOL
91 Spread hay
94 Damp and hot
97 Stylish
99 Frosts, as a
101 Respiratory disorder

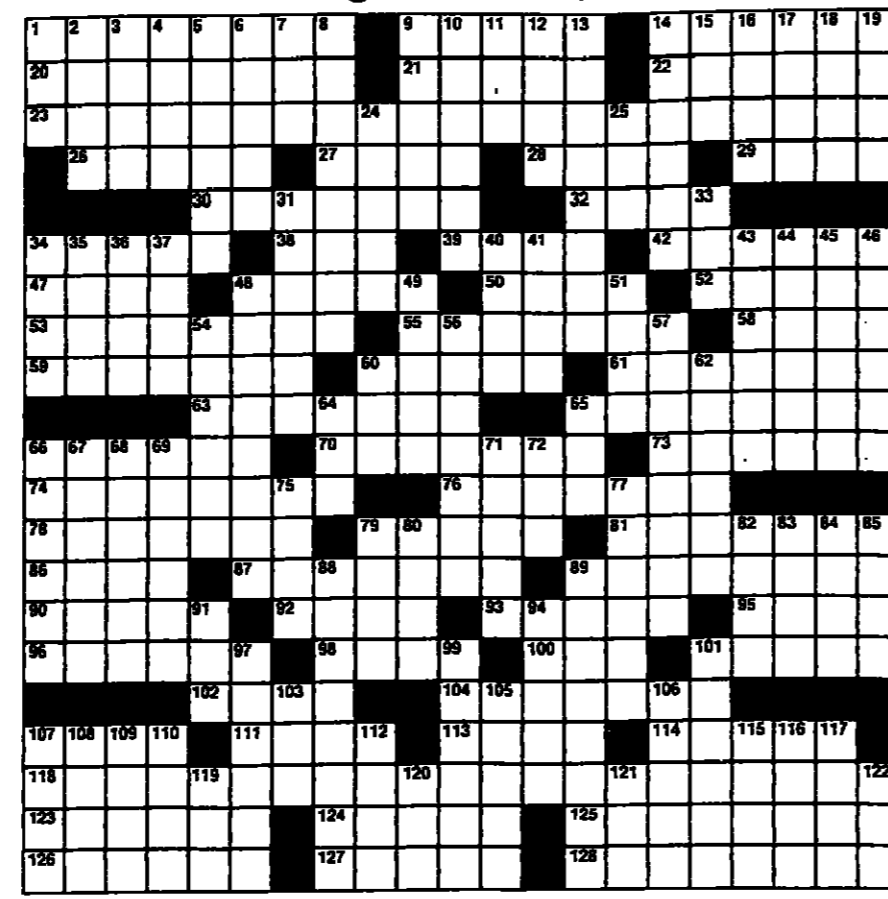
DOWN

103 ROCKY PEAK
105 Friendship
106 Helicopter part
107 Comedienne
108 CAPITAL OF YEMEN
109 SAUCY
110 CITY OF SEVEN HILLS

DOWN

112 Alone
115 EARLY IRISH TENANT
116 Oolong and pekoe
117 Graffiti, in heraldry
119 EUR. COUNTRY
120 SINGLE
121 Decay
122 Study

Start Making Tarts By Eugene T. Maleska



© New York Times, edited by Eugene Maleska.

Down 72 POSE, 75 PARADISE, 77 Photographic word, 79 Mangle, 80 ALASKAN CITY, 82 Peruse, 83 Shakespearean villain, 84 On the briny, 85 Headland, 88 FRENCH, 89 GRAPHIC ARTS TOOL, 91 Spread hay, 94 Damp and hot, 97 Stylish, 99 Frosts, as a, 101 Respiratory disorder, 103 ROCKY PEAK, 105 Friendship, 106 Helicopter part, 107 Comedienne, 108 CAPITAL OF YEMEN, 109 SAUCY, 110 CITY OF SEVEN HILLS, 112 Alone, 115 EARLY IRISH TENANT, 116 Oolong and pekoe, 117 Graffiti, in heraldry, 119 EUR. COUNTRY, 120 SINGLE, 121 Decay, 122 Study.

PEANUTS



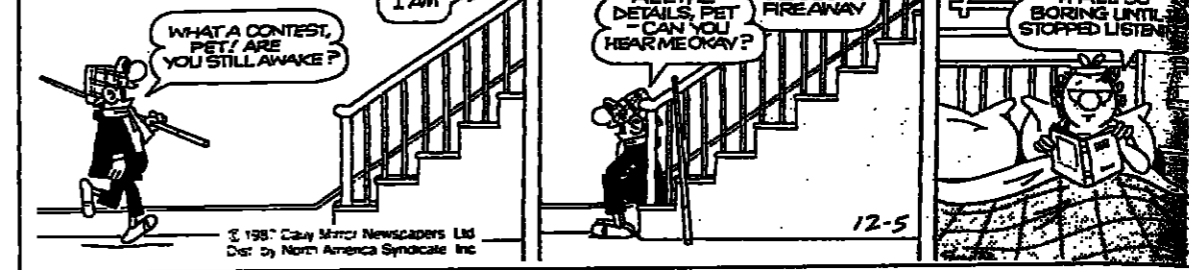
BLONDIE



BETLE BAILEY



ANDY CAPP



WIZARD of ID



REX MORGAN



GARFIELD



THE VELVET PRISON:

Artists Under State Socialism By Miklos Haraszti. Translated from the Hungarian by Katalin and Stephen Landesmann, with Steve Wasserman. 165 pages. \$14.95. New Republic-Basic Books, 10 East 53d Street, New York, N. Y. 10022.

Reviewed by Walter Goodman

LIKE many other Central European intellectuals, Miklos Haraszti takes glasnost with a grain of salt. Toward the end of what he calls his "gloomy book," which in fact sparkles with irony and aphorism, the Hungarian dissident shrugs off Mikhail S. Gorbachev's campaign for openness as an attempt "to wrap more velvet on the bars of his prison."

The 43-year-old Haraszti is a poet and sociologist as well as co-editor of Beszelo, a samizdat periodical. After being expelled from Budapest University in 1970, he went to work at the Red Star Tractor Factory. His job on the shop floor led him to write an exposé, "A Worker in a Worker's State," for which he was arrested.

BOOKS

Prison" are artists who reach an accommodation with state power and become part of what Haraszti calls "directed culture."

From this skewering of the co-opted artist, the reader must suspect that Haraszti is thinking of real people; he cites Bertolt Brecht as an example of how quickly even an unruly mind can come to enjoy the pleasures of art.

Unlike the artist under capitalism, who is at the mercy of the market, the socialist artist is secure: "We all have stock in the same company." The accommodating artist gets a steady paycheck and all-expense-paid vacations as well as the kind of esteem that brings salutes from policemen.

According to the author, all that the state asks of the pampered artist is that he carry on the process of "socialization," helping the masses to enjoy the restrictions under which they must live. These days, the entrenched state does not demand ideological fidelity, just self-restraint.

The one prohibition still enforced is against what the state sees as "solipsistic" art, defined as "all aspirations that are in any way autonomous, or spontaneous, or uncontrollable, or individualistic, or simply intractable." The goal is social integration. Haraszti mischievously adopts Herbert Marcuse's phrase, "repressive tolerance," once the rage among the raging New Left, to describe the new socialist aesthetics of censorship, meant to create esthetic automatons.

Haraszti explains: "The state artist recognizes that the only freedom within the socialist system is that of participation. He understands the impossibility of creating art that transcends the system which permits it to exist. He knows the futility of seeking to smuggle messages of freedom between the lines."

Walter Goodman is on the staff of The New York Times.

DENNIS THE MENACE



Solution to Last Week's Puzzle

A crossword puzzle grid with the solution provided for the previous week's puzzle.

World Stock Markets

Table showing stock market data for various countries including Amsterdam, London, Helsinki, Hong Kong, Frankfurt, and Johannesburg. Columns include stock names, prices, and indices.

Iraq Willing to Trim Output to Iran's Level

PARIS — Iraq has affirmed its willingness to reduce its oil production to the level of Iran's output on the condition that its total output equal that of Iran, its enemy in a seven-year war. Oil prices and the Organization of Petroleum Exporting Countries are straining under the weight of excessive output that has surpassed the organization's theoretical ceiling of 16.6 million barrels per day by almost 2 million barrels per day. More than half of the excess is coming from Iraq.

Free market oil prices are at \$11 a barrel below the official \$18 a barrel set by OPEC last December, and they could fall further if the runaway output is not controlled. Almost all OPEC members are discounting their oil to sell it through one means or another.

It is against this background that Iraq presented its offer Thursday to cut production, placing itself in a strong bargaining position at the next OPEC meeting that begins Wednesday in Vienna to obtain its long-standing request of equal treatment with Iran.

WEATHER

Table showing weather forecasts for various regions including Europe, Asia, Africa, Latin America, North America, Middle East, and Oceania. Columns include location, temperature, and weather conditions.

Large vertical advertisement on the right side of the page, featuring the name 'Heisman' and other text, partially obscured by the page's edge.

SPORTS

Those Heisman Backs Are Back

Jackson, Walker, Rozier Playing Like Award-Winners

By Gerald Eskenazi

New York Times Service NEW YORK — The Heisman Trophy, awarded to the player annually deemed best in U.S. college football, used to be a non-sport, class ticket to the National Football League for running backs. But the last three running backs to win the trophy did not even pick the NFL for their first pro paychecks, although all three are now among the league's leading runners.

Bo Jackson, the winner in 1985, spurned the Tampa Bay Buccaneers, who made him the league's top pick to play baseball with the Kansas City Royals. Mike Rozier, chosen in 1983, joined the Pittsburgh Steelers of the U.S. Football League. And Herschel Walker, winner in 1982, wound up playing with the New Jersey Generals of the USFL.

Look at them now. Jackson's spectacular 221-yard, three-touchdown performance Monday night for the Los Angeles Raiders showed that he has arrived.

The Dallas Cowboys' Walker is the NFL's leader in yards gained from scrimmage — rushing and receiving — with 1,062. He ranks fifth in the National Conference in rushing yards with 567 — averaging 4.3 a carry — and is the league's leading running back in carrying passes, with 39 averaging 12.7 yards.

The Houston Oilers' Rozier is second in the American Conference in rushing even though he has played in only seven games. His total of 694 yards trails only Eric Dickerson's.

Jackson's numbers are truly special. His performance against the Seattle Seahawks came on only 18 carries and included a 91-yard run. Over all, he is averaging 5.7 yards a carry, and after only a month in the NFL, is the 15th-leading runner with 475 yards on only 59 carries.

He joined the Raiders after two baseball seasons, having last played football for Auburn University, in the fall of 1985.

Walker, who was only the seventh junior to capture the Heisman when he won it at Georgia, left school to join the Generals. He became a Cowboy last season and now has virtually replaced Tony Dorsett, the 1976 Heisman winner.

Rozier had the most difficult path to the NFL. He injured his knee in the Orange Bowl, where he ended

NFL PREVIEW

his college career with Nebraska, then spent an undistinguished 1984 season with the Maulers in 1985. He starred for the Jacksonville Bulls, playing in all 18 games. After the USFL season ended, he joined the Oilers and played in 14 more games, but did not emerge as a significant runner until this season.

In this week's games he, as well as Walker and Rozier, likely will continue making a big difference in who wins and who loses.

AMERICAN CONFERENCE Buffalo Bills (6-5) at Los Angeles Raiders (4-7): The Bills could be run against until linebacker Cornelius Bennett joined them. Jackson is a great runner. Now he meets his old college nemesis, Bennett, who faced him three times while playing for Alabama, which won two of the games. Nevada odds-makers have rated the Raiders 3-point favorites.

New York Jets (6-5) at Miami Dolphins (5-6): Miami quarterback Dan Marino will be working against the Jets' inexperienced cornerbacks Monday night. Everyone is in contention for the AFC Eastern Division title, even losing teams. Dolphins by 4.

Indianapolis Colts (6-5) at Cleveland Browns (7-4): Gary Hogeboom is out for at least this game, so Jack Truett is the Colts' quarterback. The Browns sacked him seven times last year and their defense is smarting after the rout by the San Francisco 49ers. The Colts are hoping for breaks and a ball-control offense led by Eric Dickerson. Browns by 7.

Kansas City Chiefs (2-9) at Cincinnati Bengals (3-8): Boomer Esiason, the Bengals' quarterback, has tried to do it all despite injuries to Eric Coakley — who has caught passes in 96 of his 98 games — and running back James Brooks. Now both may be back. The Chiefs' bright spot has been Christian Okoye, the rookie who's gained 527 yards on 123 carries. Bengals by 4.

New England Patriots (5-6) at Denver Broncos (7-3-1): The Broncos' regulars have the conference's best record, 5-2-1, plus a three-game winning streak. Tom Ramsey, the Patriots' quarterback for the injured Steve Grogan, could have trouble since regular center Guy Morriss is out, too. Broncos by 7 1/2.

San Diego Chargers (8-3) at Houston Oilers (6-5): Warren Moon did not practice with the Oilers until Friday because of a shoulder problem and Brent Pease, a rookie, would replace him at quarterback. The Chargers had the ball only a third of the time in losses to Seattle and Denver and now face Rozier, who, with four 100-yard games, averages 99.5 a contest. The game is rated even.

Seattle Seahawks (7-4) at Pittsburgh Steelers (6-5): The Seahawks were worrying about their run-defense in the wake of Jackson, but with the Steelers' Earnest Jackson out with bruised ribs, they will concentrate on Mark Malone, who guides the 27th-worst passing game. Seahawks by 4.

NATIONAL CONFERENCE Chicago Bears (9-2) at Minnesota Vikings (7-4): The Bears have not been challenged much because of a weak schedule. A victory here guarantees them the division title. Tommy Kramer, who hasn't finished a game, starts at quarterback again for the Vikings. He gets sacked a lot. The Bears lead the league with 50. Vikings by 1.

Philadelphia Eagles (5-6) at New York Giants (3-8): Linebacker Lawrence Taylor is back from the hamstring injury suffered when he made a clutch play stopping Randall Cunningham the last time these clubs met. Joe Morris, who was injured early in the Giants' victory, also is back. The Eagles have a chance to beat each of their Eastern Division opponents for the first time since 1980. Giants by 4 1/2.

Atlanta Falcons (2-9) at Dallas Cowboys (5-6): The team's owner has said Marion Campbell will return as coach of the Falcons, who lead the league in points allowed and fewest scored. Perhaps next season Campbell will not have to go with five different free safeties because of injuries, or without interior linebackers. Steve Pellier is the Cowboys' quarterback the rest of the season, replacing Danny White, but the Falcons are looking for an average of 4.5 yards a carry. Look for Walker to carry. Cowboys by 7.

Los Angeles Rams (4-7) at Detroit Lions (2-9): In the Rams' three-game winning streak, Jim Everett has four touchdowns and only one interception, while Charles White has a 200-yard game. Now they face three rookies on the Lions' defense: one at nose tackle, two at inside linebacker. Rams by 3 1/2.

San Francisco 49ers (9-2) at Green Bay Packers (4-6-1): This is one of those meetings-a-bud-transfers-after-beating-a-good-team situations for the 49ers, who routed the Browns. A victory would clinch at least a wild-card spot for the West leaders, although some people think the 49ers could be affected by bad Wisconsin weather. 49ers by 7.

Tampa Bay Buccaneers (4-7) at St. Louis Cardinals (5-6): The Saints could clinch their first playoff berth with a victory coupled with losses by the Eagles and the Cardinals. Steve Deberg starts for Tampa Bay if healthy, but Vinny Testaverde, the latest Heisman winner, will play, too. Saints by 3.

Washington Redskins (8-3) at St. Louis Cardinals (5-6): The Cardinals have scored at least three touchdowns in every game except their loss to the Giants. But the Redskins' high-powered offense on a day they can clinch their third division title in five seasons. Redskins by 3.



Boris Becker, above, grimly kept the ball in sight as he wore down Jimmy Connors during a 7-5, 2-6, 6-3 victory in the second round of the Masters tournament.



Connors was up a break, 2-1, in the first set, but Becker broke him in the fifth game and again in the 12th to win. But this was not going to be easy. Connors won the second set on the strength of his return of serve. And when he broke Becker to begin the third set, well, it looked as if another chapter in the many tennis lives of Jimmy Connors was about to be written.

A Well-Aged Becker Nips Connors; Lendl, Edberg Win Easily

By Peter Alfano

New York Times Service NEW YORK — He isn't a boy wonder any more, flashing the smile that earned the affection of the fans at Wimbledon in 1985, when he won the biggest tournament of all on the strength of a game called serve and swagger. Tennis has become more like a job than a game for Boris Becker, and like everyone else in the work force, there are some days when he would prefer to stay in bed.

There were no boyish smiles Thursday night for the photographers at Madison Square Garden, no clenched fists and but a minimum of defiant stares across the net. Becker played like a kid who was being forced to clean up his room. But he was dutiful, leaving the arena neat and tidy.

Becker drew Jimmy Connors as his first opponent in the Nabisco Masters. Rather than to say he won, it would be more accurate to say he persevered. The 20-year-old West German overcame an erratic serve to beat Connors, 7-5, 2-6, 6-3, giving Connors his second loss of the round-robin tournament.

"It was a hard-fought match," Becker said, "and overall, I'm pleased to win. But I aged about five years out there."

This has been the most difficult year of Becker's still relatively brief career, as he has had to deal with problems on and off the court. Ivan Lendl recently said that Becker had lost some of his confidence. His pride, however, remains intact.

"It's easy to be confident when you win all the time," Becker said. "I'm only as good as I am."

In other matches, Lendl, the top-ranked player, defeated Brad Gilbert, 6-2, 6-2, and Stefan Edberg beat Miloslav Mecir, 6-3, 6-3.

Becker's victory could be attributed to the fact that he kept his poise in the swirl of events Connors created on the court. "You try to be patient," Becker said.

Connors had mugged for the spectators, gave an "Aw, shucks, gee" look when a woman proclaimed her love for him, and played a notch or two above his performance against Gilbert the night before. Connors' return of serve, still the most impressive in the game, forced 10 double faults, although Becker also had 17 aces and 15 service winners.

"Tennis needs more matches like that to bring electricity to the stadium," Connors said. "I thought I played all right and so did he. He works very hard at his game."

Connors was up a break, 2-1, in the first set, but Becker broke him in the fifth game and again in the 12th to win. But this was not going to be easy. Connors won the second set on the strength of his return of serve. And when he broke Becker to begin the third set, well, it looked as if another chapter in the many tennis lives of Jimmy Connors was about to be written.

Becker has lost more often this year than in the past, but he rarely concedes. He broke Connors in the second game with a backhand winner down the line, then in the fourth when Connors double-faulted.

But it was not over. Becker had to save two break points in the seventh game and another in the ninth and last game, finally closing out the match with a forehand winner.

In the first match, Lendl needed only 68 minutes to defeat Gilbert for the 13th consecutive time. Gilbert was reduced to shaking his head in despair, wondering what it will take to make a breakthrough against the best player in the world.

"I feel that if I win the first set, I can tie the Brad out," Lendl said. "His second serve is not all that deep and hard. He pushes his groundstrokes, I hit mine, and although he's not the slowest guy on the tour."

Neither player served especially well, but Lendl always has the strength of his backcourt game to fall back on. He glided along the baseline, varying the pace on his forehand, slicing backhands to keep Gilbert off balance. Gilbert came to the net three times as often, trying to apply pressure, but it only made him vulnerable to Lendl's passing shots.

"I'm happy with the way things are going," Lendl said. "I'm feeling relaxed and the match went really easy."

Edberg became the first player to win two matches, although he is still not assured of a berth in the semifinals. He watched fellow Swede Mats Wilander defeat Mecir on Wednesday night and picked up some useful tips. Wilander said that Mecir appeared to lose interest after dropping the first set.

"So I got a good start tonight," Edberg said, "and Mecir seemed to be sleepy out there. It was not too exciting but I played well."

It's Become Miller-Time in Pittsburgh When Panthers Uncap the Freshman

The Associated Press

PITTSBURGH — Not many freshman point guards have scored 33 points, gotten 17 assists and made 79 percent of their shots in their first two college basketball games. Not many have performed on television's 'The Tonight Show' at age 13, either.

Sean Miller has. All of the above. A ballhandling whiz and trick dribbler even before he had reached his teens, Miller used to perform at halftime of Pitt games. Now he's putting on a show during the Panthers' games, as the first-year coach of St. Francis, Jim Baron, learned Wednesday night.

Baron designed his game plan to shut down the fourth-ranked Panthers' strong inside tandem of 6-foot-10-inch (2.08-meter) Charles Smith and 6-6 Jerome Lane, but instead saw Miller shoot down the Red Flash from long range.

Miller made all six of his shots from three-point range and finished with 20 points and 7 assists as Pittsburgh, 2-0, cruised to an 88-70 victory.

"The kid just shot great," Baron said. "When he started to hit those three-point bombs, it hurt us. They have as good a front line as there is in college basketball, and he really opens up their offense when he starts hitting from the outside."

"We said we were going to pack it in and let them beat us from the outside, and that's exactly what he did," he said.

In his first two college games, Miller has made 11 of 14 shots — 9 of 11 from three-point range — and has helped Pitt overcome the absence of former starting guard Mike Goodson, who is academically ineligible.

"He's the most poised freshman I've ever coached," said Pitt's Paul Evans. "He is a tremendous shooter. He has the green light to shoot whenever he wants to, as long as he's comfortable with the shot."

Washington Redskins (8-3) at St. Louis Cardinals (5-6): The Cardinals have scored at least three touchdowns in every game except their loss to the Giants. But the Redskins' high-powered offense on a day they can clinch their third division title in five seasons. Redskins by 3.

SMU Bites Back at 7th-Ranked Gators

The Associated Press

DALLAS — Southern Methodist, humiliated in a 110-70 runaway by Florida last season, ambushed the seventh-ranked Gators, 82-76, Thursday night behind guard Todd Alexander's 24 points.

It was SMU's first victory over a top 10 team since it beat North Carolina in the 1985.

"Now we know we can play with the top teams in the country," said Alexander who made 12 of 13 free throws. "We could have a great season if we keep going like this."

Said his coach, Dave Bliss: "It was a nice one. It was a lot better than last year."

He added that "it was one of the rare occasions where we got a top 10 team on our own court. The crowd was terrific. It was a good game for our [Southwest] conference. We're not all that bad."

London Court Sends Walliser Leads Swiss Downhill Sweep

The Associated Press

LONDON — Three fans of the English soccer club Millwall were sentenced to prison Friday at the Old Bailey for their part in the violence last year that ended in the death of a fan of the London team West Ham.

John Johnson, 21, and Darren Ledger, 24, although cleared of murder charges at the direction of Judge Robert Lymbury, were convicted of making an affray, with Johnson sentenced to six years and Ledger to 18 months. Trevor Dunn, 21, pleaded guilty to affray, receiving four years.

They were part of a gang that rampaged from London Bridge to Charing Cross, during which Terry Burns, 19, was chased into an Underground station and stabbed seven times, twice in his heart.

London Court Sends Walliser Leads Swiss Downhill Sweep

Agence France-Press

VAL D'ISERE, France — Defending world champion Maria Walliser led a Swiss sweep by winning the season-opening women's World Cup downhill ski race Friday, edging teammates Michela Figini and Zoe Haas.

Walliser, a two-timer World Cup downhill champion, was timed in 1 minute, 21.14 seconds on the 2,195-meter (7,219-yard) course. Figini, the 1984 Olympic and 1985 world champion, followed at 1:21.19 with Haas third in 1:21.38.

Swiss skiers took five of the top seven places, with Brigitte Oertli fourth and Heidi Zurling tying for seventh. Canada's Laurie Graham, who led two practice runs, finished fourth in 1:21.53.

The 1-2-3 sweep duplicated last year's Val d'Isere downhill when Figini edged out teammates Walliser and Heidi Zurling.

"It's a revenge for our team," Figini said of the Swiss turnaround after mediocre results in the season's first five races.

"I didn't expect Walliser to win," Figini said. "I was looking for Laurie Graham."

The 27-year-old Canadian said she was "satisfied but I would prefer to be first. Today, I didn't ski well, but the first race is behind me. There's another race tomorrow and it depends on the weather and the starting position."

Graham won the second downhill race at Val d'Isere last year and took a downhill in 1985.

Haas was the first of the top group down the slope and immediately set up a fast time. Graham, starting third in the race, was slower than Haas and shook her head in disappointment.

3 Soccer Fans to Jail

The Associated Press

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SPORTS BRIEFS

Alleem Raises Million-Dollar Golf Lead

SUN CITY, South Africa (AP) — Fulton Allen of South Africa shot three-under-par 69 Friday for a three-stroke lead after two rounds of the winner-take-all Million-Dollar Challenge.

Tied for second in the eight-man field were Ian Woosnam of Wales and Bernhard Langer of West Germany. Langer won a \$50,000 bonus for the day's first round, 68, while Woosnam, who trailed Allen by one shot after the first round, shot 71. British Open champion Nick Faldo of England, at 71-139, was fourth, four shots back.

NHL, Soviet Games Still Unsettled

NEW YORK (NYT) — John Ziegler, president of the National Hockey League, has said that no specific agreements had been reached to permit Soviet teams to play in the league.

Ziegler had met with Soviet hockey officials in Moscow this week and, according to reports, a tentative agreement had been reached to allow four Soviet teams to play in the NHL at the start of the 1988-89 season, with the games counting in the standings.

But Thursday Ziegler said that "many details, including the important financial details, remain to be covered." He will speak to the NHL board of governors at its annual meeting beginning Friday in West Palm Beach, Florida, and negotiations with the Soviet Union will resume in Calgary, Alberta, during the Winter Olympics.

For the Record

Ohio State linebacker Chris Spielman won the Lombardi Award on Thursday night as the top U.S. collegiate football lineman of 1987. (AP)

SCOREBOARD

World Cup Skiing

Table with 2 columns: Rank, Name, Country, Time. Includes winners like Maria Walliser and Heidi Zurling.

NHL Standings

Table with 2 columns: Team, W, L, T, Pts, GF, GA. Lists standings for Eastern and Western Conferences.

Baseball

Table with 2 columns: Team, W, L, Pct, GB. Lists standings for Eastern and Western Conferences.

Basketball

National Basketball Association Standings

Table with 2 columns: Conference, Team, W, L, Pct, GB. Lists standings for Eastern and Western Conferences.

Transition

BASEBALL American League Cleveland-Rolando Johnny Garry, infield coach and Luis Isaac, bullpen coach.

U.S. College Results

Table with 2 columns: Team, Score. Lists results for various college sports like basketball, football, and hockey.

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Table with 2 columns: Team, Score. Lists results for various college sports like basketball, football, and hockey.

INTERNATIONAL CLASSIFIED

Multiple classified advertisements including: HOLIDAYS & TRAVEL, ESCORTS & GUIDES, ARISTOCATS, CAPRICE-NY, LONDON BELGRAVIA, ZURICH CAROLINE, GENEVA GINGER'S, MADRID, etc.

POSTCARD

London's Vinous Style

By Frank J. Prial
LONDON — For London's wine crowd the week began Monday with a tasting at the Groucho ("I wouldn't want to belong to any club that would accept me as a member") Club in Soho. It ended Friday at the opening of Sir Terence Conran's long-awaited oyster and wine bar, Bibendum, in South Kensington. It was a busy five days, but this is a vibrant wine city.

Tastings, judgments and auctions are almost daily occurrences, with new restaurants and wine bars now opening faster than many people can count. The London telephone directory lists more than a thousand wine bars, including ones with such un-English names as the Spittoon and Palookaville.

The Groucho Club is an eating and social club created a few years ago by young Londoners bored by or excluded from some of the West End's leftish bastions of privilege. Bibendum is a combination restaurant, oyster bar, wine bar and furniture store (Conran's) in one of the city's trendiest quarters. (For trivia fans, Bibendum, derived from the Latin verb bibere, meaning to drink, is the name of the roly-poly Michelin man.)

Well before the Norman Conquest, according to the Company of Vintners, the ancient but still vital guild of the wine trade, French vessels from Bordeaux and La Rochelle were carrying wine for England into London. When Philip August of Aquitaine married Henry II in 1154, he brought him Bordeaux as part of her dowry, and it remained in English hands for 300 years. The English still have a proprietary feeling about claret, they practically invented port, and were the first true believers in sherry.

The modern London wine bar is an English invention that reflects not only the country's traditional values, but its eclectic tastes and its serious approach to the subject. A Paris wine bar's proprietor is probably of the working class and his clients are mostly working men who dash in for a little glass of Beaujolais, down it and run. A London wine bar may well be run by a university man who wants to discuss his wines as much as he wants to sell them.

Inevitably, the best wine bars turn into — or start out as — res-

taurants. That is as it should be. Sitting on a bar stool sipping white wine makes little sense; wine is meant to go with food. Many wine bars serve food, if only at the counter, following the precedent set by their less fashionable neighbors, the 15,000 or so pubs of Britain. Most wine bars go further.

Corney & Barrow, next to the Mansion House underground station in the City, is a small, elegant restaurant with an attached wine shop. It is an offshoot of Corney & Barrow, a well-known wine importing company founded in 1780. It decided to get into the wine bar business as a way to improve its sales. Corney & Barrow is a good place to find little-known Bordeaux wines at excellent prices.

SELLING wine in restaurants has another advantage. While it is illegal to sell wine or spirits in a pub between 3 and 5 P.M., the law which had been on the books since 1915, was amended in April to allow restaurants to continue to serve wine to customers having a late lunch or lingering over an earlier one. A bill now in Parliament would lift the afternoon sales restriction altogether. Its advocates predict that it will pass next year.

The proliferation of restaurants and wine bars in central London has forced restaurateurs to cook up innovative ways to sell wine. But Joseph Berkman, an importer who owns Au Jardin des Gourmets in Greek Street in Soho, has a fool-proof system: selling great old and rare wines at fair prices. His list includes more than a dozen 1966 Bordeaux, starting at the equivalent of about £30 (about \$55) for a good Saint-Emission, Château Grand-Barrail-Lamarzelle-Figeac, nine 1961s and seven 1955s.

L'Escargot, in Greek Street, has one of the most original wine lists in London. Wines are listed by style and the range is original. The chardonnays, for example, come from the Italian Tirol, South Australia, New Zealand, Burgundy and the Edna Valley in California. The 18 cabernets include the Mondavi 1978 private reserve, about £40, an Israeli wine from Galilee and a good selection of French wines.

Wine prices at L'Escargot begin at about £8, and are among the more reasonable in London's good restaurants.

Writing and Living the Peasant Life

By Gerald Marzorati

QUINCY, France — No one goes to the Vallée du Giffre. In the Michelin guide to the French Alps, it is mentioned only in passing. There are no curiosities in its tiny villages, and its mountains — its jagged, hulking mountains — offer few gentle slopes for le ski moderne. It is one of those parts of the region known as the Haute-Savoie that time has left to the Savoyard peasants; and that, I was told more than once in Paris, where I was to get my train to the Alps, was reason enough to stay away. The Savoyards are closed, backward, I should understand; they keep cows and keep to themselves.

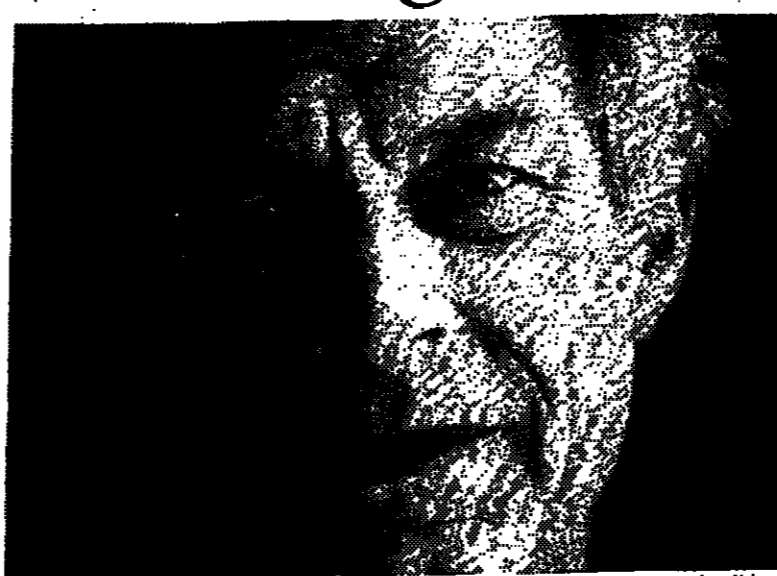
John Berger moved to the Giffre River Valley 14 years ago, and I was on my way to visit him. Berger, an Englishman, was a major figure of the European cultural scene in 1973, when he abandoned city life — he had been living in Geneva — and settled in the cluster of villages called Mieussy (population 1,800). An art critic, a novelist, an essayist of surprising range and a blossoming screenwriter, Berger in the early 1970s was at the height of his influence and prestige.

"Ways of Seeing," a New Left excursion through art history that he narrated on BBC television, made him something of a celebrity; the book version, published in 1972, was a smash. Berger's fourth novel, "G," published the same year, won the Booker Prize, the most prestigious literary award in Britain.

To younger, English-speaking intellectuals, in that period of the 1970s, Berger was a kind of seer. He was outspoken, passionate, long-haired, good-looking, hip. He was at the very center of things.

And then he was gone, to live in a remote village high in the Alps. Many of his most avid readers took it personally. How did he get among Alpine peasants square with his politics? Peasants were traditional, resistant to change, reactionary — everything a radical like Berger would oppose. To judge from the two volumes of stories interspersed with poems that he's written since his move to the Alps, Berger, now 61, has seen it differently. He has managed to shape stories that have the feel of the true; and as a result, perhaps for the first time in contemporary Western literature, we glimpse peasants as they are, not as they are in the imagination.

The first book, "The Earth," published in the United States by Pantheon in 1979, is concerned chiefly with the way a peasant envisions his world and gets things done. This was followed last spring by a second collection, "Once in Europe," five romantic peasant tales about love and the hurt of it and sometimes its power to redeem.



John Berger "wanted to tell the peasants' story before they were gone."

According to a note at the beginning of "Once in Europe," Berger plans to write a third book about the peasants, having to do with their migration to the cities. The three books are to stand as a trilogy, "Into their Labours." Not surprisingly, the books have baffled many of those once "into Berger." But in recent years, they've developed a cult following in literary circles.

The afternoon had all but faded when my train pulled into Annemasse, but there was enough light to see Berger standing on the platform. He took my bag in one hand, guided me to his dacha, Citroën 2CV, and we were off to the village of Quincy. John Berger, a little sooner than I had planned to, how he'd discovered this area, why he'd settled here, what he'd done in it? Well, after living here this long, it's as if it was a destiny of sorts.

Although he was born there, London made Berger restless. "I never felt really at home in England." And so he moved first to Paris, then to Geneva. And it was in Geneva, in 1973, while working on a book project with the photographer Jean Mohr, that his life took a decisive turn. "The book was to be about the workers who had migrated from Turkey, Portugal, North Africa, and other parts of the industrialized areas of Europe," he said. "And working on this book — 'The Seventh Man,' published in 1975 — and meeting these men, I began to understand that the majority of them were the sons of peasants. "Now certain things about their lives I could imagine as a writer: the city's impact,

the solitude. But I couldn't imagine what they had left behind. What were the peasant's values, his view of his own destiny? So it was then I think that I made the decision: I wanted to see if I could write about peasants. Write about what mattered to them. And to write about them in this way would be to understand their experience of their world — I'd have to live among them. I wanted to tell the peasants' story before they were gone from the earth."

We soon arrived at his house. The noise of the car brought outside his companion Beverly, an American, and their 11-year-old son, Yves. (Berger also has a son and daughter both in their 20s, from a previous marriage.) The house is a traditional Savoie farmhouse built late in the last century, with a one-story foundation and a second wooden story, to which is affixed a balcony and the kind of jigsawed decorative detail that immediately says "alpine."

Over a supper of fresh tomatoes from Beverly's garden, locally smoked ham and several bottles of Beaujolais, Berger explained to me that in the village, money plays almost no role. "The best way to get to know peasants is not by talking but by doing things, working together. To a peasant, when an outsider wants to come and talk, he usually wants to take something, exploit him. And don't kid yourself: A peasant is well aware of what you think, well aware that you, or someone like you, thinks him coarse and stupid.

"OK, now the peasants here are aware that I am a stranger to them in some way. They are Catholics. I am not. I have chosen

to live here, they have not. But if you are, as I was, prepared to get dirty with them, clean stables and work the fields and so on — and do these things ludicrously badly, so that they are master and you the idiot — if you can do this, the distance can be overcome, a closeness felt.

"They understand my being a writer because they understand that it is hard work, which they appreciate. Work is how one makes sense of one's life, makes sense of one's place in nature. A peasant knows that to do anything well takes time and skill — whether you are writing a story or felling a tree."

He writes, when he is not busy with farm work, in the morning, and then for four, sometimes five hours, and always in long-hand. The writing comes slowly. "It's a matter of rewriting and rewriting. If I'm writing a story, I may rewrite a page 10, 12 times."

He had planned to write a novel, but it didn't work. "The classic novel, in essence, is a book about choices, and then the consequences of the choices made. Now in peasant life, the choices are extremely limited. Where to live, who to marry, how to survive, and so on. There is limited range, these choices are pretty much made for you. The choices a peasant actually makes are largely ones he is forced to make — choices of reaction. Something happens suddenly, you're up against it, what do you do?"

"I don't want you to get the idea that this life is romantic. You cannot imagine the fatigue and the hardening. No one would wish that traditional peasant life continue exactly as it is. One would wish it to change. But change how? Is the answer simply progress? Does anyone still believe progress solves everything, eliminates all problems and contradictions?"

And when the peasants have moved to the city, and the trilogy is complete — when Berger presumably has learned to write about the peasant experience as he set out to do nearly 15 years ago, what then? Will he be back to the city? "Well, I get back to the city fairly regularly — to Paris mostly, where I lecture and then see a movie, friends. But I have become so attached, you see, I feel as if I belong here, if I belong anywhere. And I don't miss the city, certainly not the social life. I mean, for him in the city, people get together at a party and swap opinions. Opinions. Here, when people relax, get together, they drink, play cards and sing — sit in a room and sing. And of course, they tell stories."

Gerald Marzorati is a senior editor of Harper's Magazine. This is excerpted from an article he wrote for The New York Times Magazine.

PEOPLE

Lloyd's to Redesign Its New London Building

Lloyd's, the world's biggest insurance market, has decided to redesign its London headquarters, after a flood of complaints about working conditions in the building. It took 10 years and £195 million (about \$350 million) to build the award-winning structure, designed by Richard Rogers, in the heart of The City, London's financial district. The decision to redesign followed a poll commissioned by Lloyd's that found three quarters of the employees at the new headquarters thought its working environment was worse than their old building. Peter Miller, Lloyd's chairman, said "77 percent of brokers and 65 percent of underwriters think the building can be fixed to suit their business needs." He could not say how much the modifications would cost. Miller defended Rogers, who also co-designed the Pompidou Center in Paris, as a genius. Rogers was unavailable for comment about the decision to redesign the building, which was designed won a Civic Trust award and the Financial Times Architecture award for Top Award for 1987.

Marie Martin, the deaf actress who won an Academy Award for her role in the movie, "Children of a Lesser God," says winning the Oscar helped break up her romance with her co-star William Hurt. Martin told Glamour magazine she thinks her success frightened Hurt. "It really shocked him when I won the Oscar because it took him a long time to win for 'Kiss of the Spider Woman.' He'd gone through a great deal. I had just started. I wouldn't say we are friends," she said, speaking through an interpreter of sign language. "I still respect him very much, and I'm not happy about the breakup. But I am happy with myself. I have things to do." They lived together for almost two years.

The American soprano Jessye Norman appeared at the residence of U.S. Ambassador Joe B. Rogers for a fund-raising reception for the U.S. Girl Scouts. Norman left the music-making to a piano and string trio from L'Ensemble des Deux Moudes, a French-American orchestra, although she did hum along when the Girl Scouts sang "Girl Scouts Together" at her request.

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